

# COMMISSION ON THE NATIONAL GUARD AND RESERVES

*Transforming the National Guard and Reserves  
into a 21st-Century Operational Force*



Final Report to  
Congress and the Secretary of Defense  
January 31, 2008

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# COMMISSION ON THE NATIONAL GUARD AND RESERVES

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January 31, 2008

Dear Chairmen and Ranking Members:

The Commission on the National Guard and Reserves is pleased to submit to you its final report as required by Public Law 108-375, the Ronald Reagan National Defense Authorization Act for Fiscal Year 2005 (as amended by Public Law 109-163). As you know, Congress chartered this Commission to assess the reserve component of the U.S. military and to recommend changes to ensure that the National Guard and other reserve components are organized, trained, equipped, compensated, and supported to best meet the needs of U.S. national security.

The Commission's first interim report, containing initial findings and the description of a strategic plan to complete our work, was delivered on June 5, 2006. The second interim report, delivered on March 1, 2007, was required by Public Law 109-364, the John Warner National Defense Authorization Act for Fiscal Year 2007, enacted on October 17, 2006. That second report examined 17 proposals contained in the National Defense Enhancement and National Guard Empowerment Act, and included 23 Commission recommendations covering the broad spectrum of issues raised by the legislation.

The Commission applauds Congress's timely and decisive action in implementing a number of these important provisions in the 2008 National Defense Authorization Act. In carefully considering the Commission's recommendations, Congress has changed in a fundamental way the Department of Defense's role for the homeland, and taken significant steps to make the nation safer from man-made and natural disasters. Secretary of Defense Gates

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ESTABLISHED PURSUANT TO THE RONALD W. REAGAN NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2005,  
PUB. L. NO. 108-375, 118 STAT 1880 (2004)

also has taken timely and decisive action to implement those recommendations not requiring legislation, and has advocated before Congress for those requiring legislation.

The final report of the Commission was informed by 17 days of public hearings involving 115 witnesses; 52 Commission meetings; more than 850 interviews; numerous site visits, forums, and panel discussions; and the detailed analysis of thousands of documents supplied at the Commission's request by the military services, government agencies, experts, and other stakeholders. It contains six major conclusions and 95 recommendations, supported by 163 findings.

In conducting its work, the Commission has gathered information, analyzed evidence, identified significant problems facing the reserve components, and sought to offer the best possible recommendations to solve the problems identified. The problems we identify in this report are systemic, have evolved over many years, and are not the product of any one official or administration. Many of the Commission's recommendations to solve those problems can be implemented immediately; however, a number of them may take years to implement effectively. Their full implementation will require additional work by Congress and the executive branch.

At the core of these changes is the explicit recognition of the evolution of the reserve components from a purely strategic force, with lengthy mobilization times designed to meet Cold War threats from large nation-states, to an operational force. This operational reserve must be readily available for emergencies at home and abroad, and more fully integrated with the active component. Simultaneously, this force must retain required strategic elements and capabilities.

The Commission concludes that there is no reasonable alternative to the nation's continued increased reliance on reserve components as part of its operational force for missions at home and abroad. However, the Commission also concludes that this change from their Cold War posture necessitates fundamental reforms to reserve components' homeland roles and missions, personnel management systems, equipping and training policies, policies affecting families and employers, and the organizations and structures used to manage the reserves. These reforms are essential to ensure that this operational reserve is feasible in the short term while sustainable over the long term. In fact, the future of the all-volunteer force depends for its success on policymakers' undertaking needed reforms to ensure that the reserve components are ready, capable, and available for both operational and strategic purposes.

In reviewing the past several decades of intense use of the reserve components, most notably as an integral part of operations in Iraq, Afghanistan, and the homeland, the Commission has found indisputable and overwhelming evidence of the need for policymakers and the military to break with outdated policies and processes and implement fundamental, thorough reforms in these areas. The members of this Commission share this view unanimously. We note that these recommendations will require the nation to reorder the priorities of the Department of Defense, thereby necessitating a major restructuring of laws and DOD's budget. There are some costs associated with these recommendations, but the problems are serious, the need to address them is urgent, and the benefits of the reforms we identify more than exceed the expense of implementing them.

These issues are extremely complex, and people of good character and conscience will disagree with some of the solutions we propose. That is to be expected. No significant reforms have been undertaken in the laws affecting the reserve components for more than half a century. The last major Defense reform effort—the Goldwater-Nichols Department of Defense Reorganization Act of 1986—made fundamental adjustments to the roles of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and combatant commanders but did not affect the structures or policies of the reserve components. We hope and anticipate that this report will generate lively debate among the institutions and key policymakers responsible for protecting U.S. national security.

With the submission of this our last report, the Commission turns our findings, conclusions, and recommendations over to the legislative and executive branches, where we feel confident they will be carefully considered, improved upon, and implemented. We believe that this action will have the same profound and positive effects as did the Goldwater-Nichols legislation.

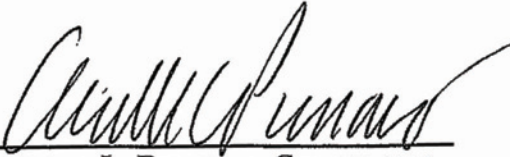
The Commission wants to express our continuing deep appreciation for the significant support and cooperation from the Congress and the Department of Defense as well as the sustained, superb work

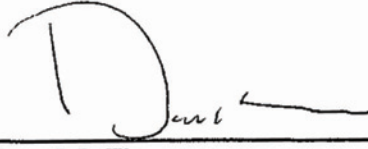


of the Commission's staff. The Commission also wishes to recognize the public service of Senator John Warner, as he concludes a long and distinguished career that has set the standard for statesmanship and bipartisan advocacy of a strong national defense.

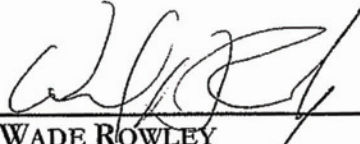
We close by thanking all military members in our nation's active and reserve forces. Our nation is indebted to them for their service and the sacrifices that they, their families, and their employers have made—and will continue to make—on behalf of the United States of America.

Sincerely,

  
ARNOLD L. PUNARO, CHAIRMAN


  
DAN MCKINNON

  
WILLIAM L. BALL, III

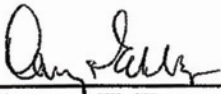
  
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cc: The Honorable Robert Gates, Secretary, Department of Defense





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1000 Defense Pentagon, Room 3E880  
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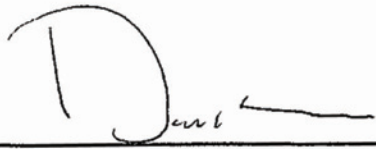
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Sincerely,

  
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cc: The Honorable Carl Levin, Chairman, Committee on Armed Services,  
United States Senate

The Honorable John McCain, Ranking Member, Committee on Armed Services,  
United States Senate

The Honorable Ike Skelton, Chairman, Committee on Armed Services,  
United States House of Representatives

The Honorable Duncan Hunter, Ranking Member, Committee on Armed Services,  
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The Commission extends a sincere thank-you to all seven reserve components for detailing staff to assist the Commission's efforts. We also extend thanks to the following individuals who contributed to this report while serving on the Commission staff at some time prior to its completion: Eric C. Chase, Dale D. Fair, Betsy Freeman, Max J. Jakeman, Karen E. Lloyd, Andrew V. Napoli, John Raidt, Henry J. Schweiter, Brian T. Smith, Jodie L. Swezey, and Mildred R. Wears.

*COMMISSION STAFF*

*COMMISSION ON THE NATIONAL GUARD AND RESERVES*

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# EXECUTIVE SUMMARY

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## INTRODUCTION

The Commission on the National Guard and Reserves was established by the Ronald Reagan National Defense Authorization Act for Fiscal Year 2005. Through its enabling statute, Congress tasked this Commission to report on the roles and missions of the reserve components; on how their capabilities may be best used to achieve national security objectives, including homeland defense; on their compensation and benefits and on the effects of possible changes in these areas on military careers, readiness, recruitment, and retention; on traditional and alternative career paths; on their policies and funding for training and readiness, including medical and personal readiness; on the adequacy of funding for their equipment and personnel; and on their organization, structure, and overall funding. Congress has asked this Commission to provide it a road map to a strong, capable, sustainable reserve component.

Congress directed the Commission to deliver three separate reports. The first of these reports, detailing the status of the Commission's organization and the progress of our work, was submitted to the Senate Armed Services Committee, the House Armed Services Committee, and the Secretary of Defense on June 5, 2006.

The second report, *Strengthening America's Defenses in the New Security Environment*, was submitted on March 1, 2007, and primarily addressed 17 provisions of legislation titled the National Guard Empowerment Act, introduced in the 109th Congress and reintroduced in the 110th Congress (S. 430/H.R. 718). DOD has supported in whole or in part 20 of the Commission's recommendations, and Congress in the National Defense Authorization Act for Fiscal Year 2008 has addressed all those that require legislation.<sup>1</sup>

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---

This third and final report, *Transforming the National Guard and Reserves into a 21st-Century Operational Force*, contains six major conclusions and 95 recommendations, supported by 163 findings. The Commission began organizing in September 2005, held its first official meeting in March 2006, and, following the submission of this report, concludes its work in April 2008. At

that time, as Congress envisioned, the most comprehensive, independent review of the National Guard and Reserve forces in the past 60 years will be complete, and the burden for action will fall to the legislative and executive branches.

### *The Structure of the Report*

This report is the first step in a comprehensive reevaluation of the reserve components of the U.S. military in which the legislature and general public soon should join. In reviewing the past several decades of heavy use of the reserve components, most notably as an integral part of recent operations in Iraq, in Afghanistan, and in the homeland, the Commission has found indisputable and overwhelming evidence of the need for change. Policymakers and the military must break with

---

1 As this report was about to go to press, President Bush vetoed the National Defense Authorization Act for Fiscal Year 2008. We are confident, however, that the sections pertaining to the National Guard and Reserves will remain in the bill that ultimately is signed into law. We therefore cite those sections of the act in their current form, as published in House Report 110-477, the Conference Report to accompany H.R. 1585, December 6, 2007.

outdated policies and processes and implement fundamental, thorough reforms. Many of today's profound challenges to the National Guard and Reserves will persist, notwithstanding force reductions in Iraq and Afghanistan. The need for major reforms is urgent regardless of the outcome of current conflicts or the political turmoil surrounding them. The Commission believes the nation must look past the immediate and compelling challenges raised by these conflicts and focus on the long-term future of the National Guard and Reserves and on the United States' enduring national security interests.

In our final report, the Commission first assesses the necessity, feasibility, and sustainability of the so-called operational reserve, which is significantly different from the strategic reserve of the Cold War. We assess the unplanned evolution to an operational reserve. We then evaluate the factors that should influence the decision whether to create a truly operational reserve force, including the threats to our nation in the current and emerging security environment; the military capabilities, both operational and strategic, necessary to keep America secure in this environment; the urgent fiscal challenges caused by the spiraling costs of mandatory entitlement programs and ever-increasing cost of military personnel; and the cost and value to the nation of the National Guard and Reserves. And we consider the challenges the nation faces in funding, personnel policy, recruiting, equipment shortages, and other obstacles to creating a sustainable operational reserve force.

Second, we assess the Department of Defense's role in the homeland and whether it is clearly defined and sufficient to protect the nation; the role that the reserve components, as part of DOD, and other interagency partners should play in preparing for and responding to domestic emergencies; the role and direction of U.S. Northern Command, the joint command in charge of federal homeland defense and civil support activities; the role that states and their governors should play in homeland response; the need to rebalance forces to better address homeland response needs; and the implications of these assessments for the readiness of the reserve components.

Third, we examine what changes need to occur to enable DOD to better manage its most precious resource—its people. We consider what attributes of a modern personnel management strategy would create a true continuum of service; how reserve component personnel should be evaluated, promoted, and compensated; what educational and work opportunities they should be given to maximize the return to the nation from their service; how DOD should track the civilian skills of reserve component members; whether the active and reserve personnel management systems should be integrated; why the prompt establishment of an integrated pay and personnel system is urgent; how many duty statuses there should be; and what changes need to be made to the active and reserve retirement systems to ensure that both serve force management objectives and are sustainable.

Fourth, we explore what changes need to be made to develop an operational reserve that is ready for its array of overseas and homeland missions. We examine how policies related to equipping, training, funding, and access must be transformed to ensure that the resulting force is ready, capable, and available to the nation when it is needed, whether for war, for routine peacetime deployments, or for unexpected emergencies here at home.

Fifth, we assess current programs supporting service members, their families, and their employers. We consider whether disparities remain between the active and reserve service members' compensation, whether the legal protections for activated members are sufficient, what can be done to improve the support provided to members and their families when reservists are activated and after they return home, and how DOD can strengthen the relationship between the Department and employers of reserve component members.

Sixth, we scrutinize the organizational and structural changes required to support a truly operational reserve force: specifically, changes to remove cultural barriers that hamper the effective use of the reserve components, changes to the categories used to manage the reserve components,

changes to the Office of the Secretary of Defense, and changes within the reserve components and their headquarters.

For these topics, we address the issues and discuss in detail the areas where we believe reform is required, explain how we arrived at our conclusion that reform is urgently needed, state the principles we believe should guide reform, and make specific recommendations to solve the problems identified. Where possible, we have articulated appropriate milestones and benchmarks to gauge progress toward the full implementation of those recommendations.

Finally, we identify the Commission's vision, or end state, for the future National Guard and Reserves: what it will mean to be an operational guardsman and reservist of the 21st century; what their future roles and missions will be; how they will be integrated into the total force; what the nature will be of the compact between the reservists and their families, employers, and the nation; what future career paths for reservists will look like; and what organizational structures, laws, and policies affecting personnel, compensation, benefits, training, equipping, mobilization, and funding will look like. All our recommendations are geared to achieving this end state.

In developing these recommendations, the Commission solicited formal and informal input from a broad range of individual service members, family members, military and civilian leaders, subject matter experts, businesspeople, and elected representatives. We examined reports, studies, lessons learned, and papers on the topics before us. We visited Guard and Reserve personnel, families, and employers where they live, train, and work. We benefited from outside analytical support from the Government Accountability Office, the Congressional Budget Office, and the Federal Research Division of the Library of Congress. We sought to define and document as clearly as possible the issues and problems facing the National Guard and Reserves and to present a reasonable and achievable set of solutions to those problems.

Our study has been informed by 17 days of public hearings involving 115 witnesses; 52 Commission meetings; more than 850 interviews with officials and other subject matter experts, including the current and former Secretaries of Defense, and current and former Chairmen and Vice Chairmen of the Joint Chiefs of Staff; numerous site visits, forums, and panel discussions; and the analysis of thousands of documents supplied at the Commission's request (a comprehensive list of persons interviewed is contained in Appendix 10 of the full report).

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We recognize that the problems we discovered through our study are systemic and have evolved over many years, and some were created as new threats evolved. This report is in no way meant to be a report card on past or current officials. Most of the challenges facing the reserve components have existed for decades. While the Goldwater-Nichols Department of Defense Reorganization Act of 1986 made fundamental adjustments to the roles of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and combatant commanders, no significant reforms have been undertaken in the key laws affecting the reserve components for half a century.

The Secretary of Defense reacted positively, constructively, and quickly to the limited but significant set of recommendations in the Commission's March 1 report to Congress, and Congress also has demonstrated a strong willingness to address National Guard and Reserve issues through its recent passage of the 2008 National Defense Authorization Act, which incorporated most of the Commission's March 1 recommendations. By mandating that the Department of Defense work with the Department of Homeland Security to identify and fund what is needed to protect the homeland, and updating the status, structure, and activities of the National Guard Bureau and its leadership, Congress has sent a powerful message that it is time for fundamental change in DOD's roles and

responsibilities for the homeland. This legislation represents the kind of dramatic and sweeping change that is long overdue.

But reform is difficult, and a number of the Commission's March 1 recommendations will continue to face continued resistance from within the DOD bureaucracy and the other government institutions that they affect (see Appendix 8 of the full report for the Commission's assessment of how completely the March 1 recommendations have been implemented).

### *The Nature of the Reforms*

Instead of meeting immediate needs, or satisfying the requests of particular interest groups, proposed reforms should serve a set of guiding principles that reflect the new 21st-century realities. On the basis of all its analysis to date, the Commission has identified values or principles against which proposed reforms should be judged. In general, proposed reforms must

- Serve the national security interests of the United States by improving the ability of the National Guard and Reserves to meet all threats to the nation as part of a total integrated force.
- Improve the nation's return on its investment in its military.
- Build upon the jointness among the military services, developed as a result of the Goldwater-Nichols Act, to create an effective operational reserve force whose units and individuals can rapidly integrate with the active component.
- Ensure that service plans to employ the reserve components produce a force that is ready, capable, and available for predictable overseas rotations, responses to emergencies in the homeland, and strategic depth with the ability to surge when required.
- Produce a sustainable reserve component, by which we mean one that is affordable, that attracts and retains high-quality people, that remains relevant and effective in a changing security environment, and that maintains the support of the public.
- Be practical and executable.

Accordingly, the reforms that the Commission believes the nation must adopt to enable the National Guard and Reserves to fulfill U.S. national security objectives are significant and transformational. They will be welcomed by some and engender considerable opposition in others. To successfully execute the national military strategy in the 21st century, the active and reserve components must increase their military effectiveness by becoming a more integrated total force. It has taken the U.S. armed forces two decades to approach the level of jointness envisioned by the authors of the Goldwater-Nichols Act, which did not address the reserve component. Achieving total force integration of the active and reserve components will require changes to the defense establishment of a magnitude comparable to those required by Goldwater-Nichols for the active component.

These recommendations will require the nation to reorder the priorities of the Department of Defense, thereby necessitating a major restructuring of laws and DOD's budget. There will be some costs associated with these recommendations, but the need for these reforms is critical, and the benefits, in terms of the improved military effectiveness of the total force, more than exceed the cost to implement them.

Many of the Commission's recommendations can be implemented immediately. However, a number of these large, systemic changes may take years to implement effectively. We recognize that the details

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... the active and reserve components must increase their military effectiveness by becoming a more integrated total force.

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of implementation will need to be worked out by Congress and the executive branch, and that some reforms will be transitional, remaining in effect only until others are fully realized. At the core of the needed changes is the explicit evolution of the reserve components from a purely strategic force with lengthy mobilization times, designed to meet Cold War threats from large nation-states, to an operational force in periodic use, readily available for emergencies, that retains required strategic elements and is seamlessly integrated with the active component.

## I. CREATING A SUSTAINABLE OPERATIONAL RESERVE

During the Cold War, the reserve components were designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union; in this role, they were commonly referred to as the strategic reserve. Beginning in the early 1990s, the National Guard and Reserves have evolved into an essential element of the military's operational forces. Our nation is now faced with the prospect of a decades-long engagement with enemies who seek to attack us and harm our interests throughout the world, including in our homeland. Congress directed the Commission to study the roles, missions, and capabilities of the National Guard and Reserves in this new climate. The issues that must be addressed are whether the reserve components should continue to play the significant role they have assumed in operations, foreign and domestic; whether they should also retain a strategic role; and what changes are necessary to ensure both that they succeed in their missions and that our national security is protected. In studying this issue, the Commission has evaluated possible alternatives to the current operational use of the reserves, given the significant changes required for such a force. Our analysis leads us to conclude that for the foreseeable future, there is no reasonable alternative to the nation's continuing increased reliance on its reserve components for missions at home and abroad, as part of an operational force.

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. . . there is no reasonable alternative to the nation's continuing increased reliance on its reserve components for missions at home and abroad.

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The uncertain security environment ahead and the challenging fiscal realities faced by our government make obvious the necessity for more flexible sources of manpower that are better able to respond rapidly in the homeland, that can be efficiently increased in times of need, and that can be reduced in a way that economically preserves capability when requirements diminish. To meet these criteria effectively, the manpower pool must be organized to facilitate the required flexibility and ensure that resources can be focused where they are needed with desirable returns on investment.

It is a difficult problem, and the answer clearly lies in the reserve components—uniquely capable of responding in the homeland, employed operationally at costs on a par with the active components, yet able to be maintained at much lower expense when requirements allow for a reduced operational tempo. Employing the reserves in this fashion has proven necessary and effective from Operation Desert Storm onward, and they in fact have been relied on in every major military operation since then.

We conclude that this reliance should continue and should grow even after the demands for forces associated with current operations are reduced. We base this conclusion on a number of factors discussed below.

At the same time, the current pattern of using the reserves is endangering this valuable national asset, and reforming laws and policies will be necessary to reverse the damage done and make certain that an operational reserve is sustainable. It is to those ends that the Commission has devoted significant effort and the majority of our final report. In order to create a sustainable reserve, we must under-



stand how we got to this point, why it is necessary to continue our reliance on the reserves as part of an operational force, and what the challenges to achieving their sustainability are.

### A. THE UNPLANNED EVOLUTION TO AN OPERATIONAL RESERVE

At many times in our nation's history, the reserves have been called up, often in conjunction with a draft of the broader population. They have served, and then returned to civil society. Members of the reserves played significant roles in the Revolutionary War, the War of 1812, the Mexican-American War, the Civil War, the Spanish-American War, World War I, World War II, the Korean War, and the Gulf War. Today, the reserves are playing an indispensable role in the global war on terror.

In each case, the nation called forth and trained its reserves, sent them into battle under federal command, and then, after the war ended, grappled with the size, structure, and funding of the reserve forces. In several instances, the nation sought a "peace dividend" in the form of a large postwar reduction in the size of national security institutions, including military forces. Following the Spanish-American War, which exposed grave weaknesses in the training and readiness of the state militias, Congress created a federal reserve and increased federal oversight of the state militias, now called the National Guard.

The last major reform to the reserve components took place after the Korean War, for which the nation was poorly prepared. Established as a force designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union, the reserves were commonly referred to as the strategic reserve. The Vietnam War was the last conflict fought with a draft and without a large reserve mobilization. It was followed by a significant shift in the mid-1970s to an all-volunteer force; however, the reserves remained a strategic force to be used only for extraordinary contingencies overseas, with the assumption that they would have the benefit of lengthy mobilization periods, and threats to the homeland continued to be viewed in the context of the threat from Soviet nuclear weapons.

Since employing the reserves in Desert Shield and Desert Storm, DOD has increased their operational tempo to sustain global commitments. The reserves have fought in two wars that have not relied on a draft or on full mobilization. The National Guard and Reserves' contribution to our nation's defense efforts has risen to almost five times the level it was before 9/11. Some components have been drawn on even more heavily: by the end of the same period, the Army Guard and Army Reserve workload had increased more than seven times. At their peak use in 2004, national guardsmen and reservists constituted more than 33 percent of all U.S. military forces in Iraq.

Reserve component personnel use has increased from 12.7 million duty days in fiscal year 2001 to 61.3 million duty days in fiscal year 2006. Reservists have been mobilized more than 597,000 times since September 11, 2001; and in addition to the mobilizations, thousands of reserve component members have volunteered for extended periods of active duty service.

The notion of an operational reserve developed almost by default, in response to current and projected needs for operations in Iraq and Afghanistan and the associated force generation requirements. The Commission believes that backing into such a far-reaching decision is a mistake, because it is not clear that the public or its elected representatives stand behind this new concept. Major changes in the roles and missions of the reserve components must be examined, discussed, and accepted by the public and Congress if they are to succeed. Our analysis shows that there is much to debate, and the debate is overdue.



Although DOD has sought to define the operational reserve,<sup>2</sup> it has taken several years to come up with a definition, and that definition does not answer the basic questions policymakers face: What missions will the National Guard and Reserves perform in their strategic and operational roles? How will DOD resource and equip the reserve components for these missions so they will be a ready force capable of operating both overseas and in the homeland? And what can combatant commands, the services, service members and their families, and civilian employers expect in terms of predictable deployments? Because it does not answer these questions, it offers no road map for what changes in resources or to laws, policies, force structure, or organization are required to make the reserves truly operational within the total force.

## B. THE NECESSITY FOR AN OPERATIONAL RESERVE

Given the threats that the United States faces at home and abroad, the looming fiscal challenges the nation confronts, the projected demands for forces, the unique capabilities resident in the reserve components, and their cost-effectiveness, the Commission sees no reasonable alternative to an increased use of and reliance on the reserve components. This conclusion is not dependent on the wars in Afghanistan and Iraq and on the reserves' current sizable role in the total operational force: the factors below indicate that their contribution to operations at home and abroad will be enduring.

### *The New Security Environment*

Challenges presented in today's strategic environment are radically different than those that faced previous generations. The current operational environment is volatile, uncertain, complex, and ambiguous. Traditional threats posed by nation-state actors remain, but new threats have emerged as well. National security challenges fall into five categories:

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Challenges presented in today's strategic environment are radically different than those that faced previous generations.

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- The proliferation of weapons of mass destruction that constitute a growing threat across the globe, including to the U.S. homeland, and the potential access to such weapons by individuals or terrorist groups who wish to use them indiscriminately on civilian populations.
- Violent extremists, Islamist and other, who seek to control populations and geographic areas, attack U.S. soil, and harm U.S. interests throughout the world.
- Disasters in the homeland such as pandemic disease, hurricanes, earthquakes, and floods that can harm populations and cause losses that equal or exceed those incurred by war.
- Failed states; numerous ethnic, tribal, and regional conflicts that can cause humanitarian crises and endanger global stability; and nation-states containing safe havens for uncontrolled forces that threaten us.
- Traditional nation-state military threats, including the rise of a near-peer competitor.

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2 "The total Reserve component structure which operates across the continuum of military missions performing both strategic and operational roles in peacetime, wartime, contingency, domestic emergencies and homeland defense operations. As such, the Services organize resource, equip, train, and utilize their Guard and Reserve components to support mission requirements to the same standards as their active components. Each Service's force generation plan prepares both units and individuals to participate in missions, across the full spectrum of military operations, in a cycle or periodic manner that provides predictability for the combatant commands, the Services, Service members, their families, and civilian employers" (Joint Staff, "Operational Reserve Definition," draft, October 15, 2007).

This modern threat environment requires that the United States bring to bear all instruments of national power to achieve its national security objectives, including using its global leadership to prevent conflicts from occurring and developing partnerships to avert them. Among these instruments is the U.S. military, including the National Guard and Reserves, which must be properly organized, trained, equipped, and coordinated with other government agencies to present in a timely manner the multitude of capabilities necessary to meet the many irregular, catastrophic, and disruptive threats to America both at home and abroad.

These capabilities are

- The ability to engage any adversary and win on the battlefield in many different kinds of environments.
- The ability to prevent and recover from warfare through peacekeeping, stability operations, capacity building, military-to-military exchanges, theater security cooperation, and civil support activities.
- The ability to support civil authorities at all levels of government in responding to domestic emergencies in which military manpower and assets are useful to save lives or property, secure communities, or mitigate the consequences of or recover from a major natural or man-made disaster.
- The ability to respond to the national security requirements arising from an adversary's use of a weapon of mass destruction.
- The ability, even during times of peace, to sustain a global military presence as a means of providing credible deterrence toward potential enemies and to shape and maintain stable relations with U.S. allies and friends.

At the same time, the resources to generate and sustain these capabilities are not unlimited. Ultimately, we can afford and must be willing to allocate appropriate resources to ensure our national security. However, the nation is confronting a major fiscal challenge in the form of escalating and ultimately unsustainable federal deficits and debt, tied to the expansion of mandatory entitlement programs. If this fiscal imbalance is not addressed, it will consume a growing share of federal resources and damage our economy and national security. The most compelling presentation of these challenges is offered by the Comptroller General of the United States, David Walker, in his report titled “21st Century Challenges: Reexamining the Base of the Federal Government” (February 2005). This grave fiscal reality dictates that every government department, including the Department of Defense, must fundamentally reexamine how it spends money to become more effective and efficient.

### *DOD Plans for Continued Reliance on the Reserves*

DOD leaders have repeatedly stated their expectation that the National Guard and Reserves will continue to provide a wide range of capabilities that include warfighting, humanitarian assistance, disaster relief, and post-conflict and transitional operations such as democracy building, stability efforts, and peacekeeping. DOD also plans a “focused reliance” on the National Guard and Reserves for civil support missions in the homeland. Each service has developed detailed plans to train, equip, and use the National Guard and Reserves for the foreseeable future on a rotational basis in coordination with the active component. This shift—away from a force primarily designed for infrequent federal use against a large nation-state and toward a better manned, trained, and equipped force that is more interdependent with the active duty military, is employed in predictable cyclical rotations overseas, and is more ready and more able to respond quickly at home—would mark a significant adjustment to how the nation has historically conceived of and used its reserves. The change is particularly significant for the largest reserve components, the Army National Guard and Army Reserve.

### *The Cost and Value of the Reserve Components*

The Commission has analyzed the cost of the reserve components as a function of their share of the DOD budget over time, as their share of their services' budget over time, and as calculated by think tanks and by the Government Accountability Office. Using a comprehensive approach to this question, the Commission finds that an active component service member costs approximately four times as much as a reserve component service member when he or she is not activated. This significant cost advantage for the reserves will drive policymaking in coming years, when pressure on the forces from current conflicts will have abated. The Commission believes the nation should avoid the kind of shortsighted policy decisions made after past conflicts that left the military ill-prepared for the next conflict, and should instead focus on where the best value for the taxpayer can be achieved in an ever-tightening fiscal environment.

The Commission also finds that the National Guard and Reserves offer the nation great capability and return on its investment. Reservists provide our military's most intimate and extensive links to the American people and form an important bridge to their neighbors and co-workers who have never served in uniform. They are forward-deployed in thousands of communities across the United States, pretrained, and available to respond to an emergency that exceeds the capacity of local government personnel.

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... an active component service member costs approximately four times as much as a reserve component service member when he or she is not activated.

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The reserve components act as a repository of military skills and experience gained over years of service that would otherwise be lost. They also have skills acquired through their civilian careers that are invaluable to DOD for both domestic and overseas missions. These skills are not easily attained or maintained by personnel in full-time military careers. Members of the reserves who are not being used operationally also continue to provide strategic, or surge, capability for a military that has reduced personnel significantly since the peak of the Cold War. The value of these skills, and of the capability resident in the reserves to respond to unforeseen events, is not easily quantified, but it is significant.

One alternative to the continued use of the reserve components as part of the operational forces is to expand the active force. However, respected analysts question the affordability and achievability of this option, given the high costs of active duty benefits and infrastructure and the current recruiting challenges being experienced by the services. The per capita annual cost of active duty manpower has risen from \$96,000 to more than \$126,000 since 2000, owing largely to increases in such deferred benefits as health care, as well as to the expenses of recruiting, retention, and other initiatives to maintain an all-volunteer force strained by prolonged conflict. From a cost perspective, the reserve components remain a significant bargain for the taxpayer in comparison to the active component.

In addition, significantly increasing the active force—versus investing more in the reserves—may not be the right long-term choice in light of the new threats to our homeland, where the reserves have a significant advantage over the active component. When disaster strikes at home, the first military responders will be national guardsmen and reservists coming to the aid of their friends and neighbors close by. The value of this linkage cannot be discounted. In contrast to the nationwide presence of reserve component forces, the nation's active duty military forces are increasingly isolated, interacting less frequently with the civil society they serve. There are fewer active duty military bases, and members of the active component only reside in or near this limited number of government facilities.

Another politically nonviable alternative would be to return to a draft. It is worth recalling that the all-volunteer force was not designed for a sustained, long-term conflict, and that the nation continues to mandate that young men register for the Selected Service in the event a draft becomes

necessary. However, the draft is an instrument not employed since the Vietnam War, and its use would be extremely unpopular.

Thus, the Commission believes that the nation will need to rely on an operational reserve force for many years to come. We are not suggesting that reliance on the reserve component is somehow undesirable. In fact, without the National Guard and Reserves, the nation would have needed to reinstitute the draft to fight in Iraq and Afghanistan. Thus, the reserves are the key to ensuring the success of the all-volunteer force and avoiding the draft.

Meeting that challenge—creating an operational reserve force that is feasible in the short term and sustainable in the long term—will require fundamental reforms to homeland roles and missions, to personnel management systems, to equipping and training policies, to policies affecting families and employers, and to organizations.

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... the reserves are the key to ensuring the success of the all-volunteer force and avoiding the draft.

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## C. THE CHALLENGE OF SUSTAINING THE RESERVES AS AN OPERATIONAL FORCE WITHIN A COLD WAR FRAMEWORK

In our March 1 report, the Commission concluded that the current posture and utilization of the National Guard and Reserves as an operational force cannot be sustained over time. Our conclusion in this regard subsequently has been supported by the October 2007 findings of the Defense Science Board Task Force on Deployment of Members of the National Guard and Reserve in the Global War on Terror. Our conclusion remains unchanged.

The fact that in some respects the reserve components are currently being used operationally does not make them a sustainable operational force. The reserve components were not established to be employed on a rotational basis, and key underlying laws, regulations, policies, funding mechanisms, pay categories, mobilization processes, and personnel rules that manage the reserve components will have to be modified to support their evolution into such an operational force.

Additional significant challenges exist. The propensity of our nation's youth to enlist in the military was at a historical low of 9 percent in June 2007. At the same time, DOD estimates that more than half the youth in the U.S. population between the ages of 17 and 24 do not meet the minimum requirements to enter military service. Approximately 22 percent of America's youth exceed the limits set for enlistees' body mass index. The military services will face extremely stiff competition from civilian employers seeking to recruit and retain the quality workforce required for the 21st century. Recruiting the all-volunteer force is more difficult and costly today than it has ever been. Only 79 percent of the new recruits entering the Army in fiscal year 2007 possessed a high school diploma (the DOD standard is 90 percent), and the Army approved more waivers for candidates with a criminal history (10 percent of all recruits) than it has done in years past.

At the other end of the service continuum, those highly skilled service members who are in the Individual Ready Reserve or are retired constitute a pool that is rarely tapped to benefit the nation.

Other long-standing obstacles continue to hamper total force integration and, hence, military effectiveness. Outdated personnel policies prevent DOD from addressing the demographic challenges above and from making the most effective use of their personnel resources. The military retirement system is not serving important force management goals, and because of the growing cost of personnel it is not sustainable. The military, despite acknowledging that civilian skills are a reserve component core competency, has done little to take advantage of those skills. While the Air Force, Navy, and Marine Corps have each made significant progress toward integrating their active and reserve components into a total force, persistent cultural and structural barriers between Army active and

reserve component members block meaningful progress toward a more integrated, effective Army.

The Commission has heard from DOD officials who contend that the changes necessary to create an operational reserve have already occurred. They point out that since 2002, 168 pieces of legislation pertaining in some fashion to the reserve components have become law. These are a patchwork of incremental changes that mend problems at the margins—they are not bold and systemic reforms designed to address the needs of the reserve components today and in the future. Moreover, they include some changes of very dubious merit, such as cutting the numbers of active duty personnel providing full-time support for the Army reserve components.

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... since 2002, 168 pieces of legislation pertaining in some fashion to the reserve components have become law. These are a patchwork of incremental changes.

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The Commission believes that continued use of the reserve components as part of an operational force will be feasible and sustainable only if the nation commits to and invests in this increasingly important portion of our military forces.

**Conclusion One:** The nation requires an operational reserve force. However, DOD and Congress have had no serious public discussion or debate on the matter, and have not formally adopted the operational reserve. Steps taken by DOD and Congress have been more reactive than proactive, more timid than bold, and more incremental than systemic. They thus far have not focused on an overarching set of alterations necessary to make the reserve components a ready, rotational force. Congress and DOD have not reformed the laws and policies governing the reserve components in ways that will sustain an operational force.

#### Recommendation:

1. Congress and the Department of Defense should explicitly acknowledge the need for, and should create, an operational reserve force that includes portions of the National Guard and Reserves. In order to place the reserve components on a sustainable path as part of that force, Congress and DOD must modify existing laws, policies, and regulations related to roles and missions, funding mechanisms, personnel rules, pay categories, equipping, training, mobilization, organizational structures, and reserve component categories. These significant changes to law and policy are required if the reserve components are to realize their full potential to serve this nation and if existing adverse trends in readiness and capabilities are to be reversed. Moreover, the traditional capabilities of the reserve components to serve as a strategic reserve must be expanded and strengthened.

## II. ENHANCING THE DEFENSE DEPARTMENT'S ROLE IN THE HOMELAND

Protecting the people and territory of the United States is the mission of state and local government, the Department of Defense, the Department of Homeland Security, and the rest of the federal government. As these levels of government and agencies work together in that broad effort, each has a specific role to play. State and local governments are the nation's first line of defense. Their first responders, the National Guard, and other state and local officials often represent the bulk of the capabilities responding to a disaster. Furthermore, as the chief executives of the states, governors are



vested with a primary responsibility to protect the lives and property of their citizens. On the federal level, the Department of Defense ensures the military security of the people and territory of the United States, commonly referred to as homeland defense. The Department of Homeland Security is responsible for coordinating national homeland security efforts to protect the United States from terrorism and to carry out the functions of its constituent agencies, including emergency management. DOD is often called on to support DHS, other federal agencies, and state and local governments in carrying out their missions, thereby providing what is termed civil support. Congress tasked the Commission to assess the capabilities of the reserve components and determine how the units and personnel of the reserve components may best be used to support national security objectives, including homeland defense of the United States.

## A. MAKING CIVIL SUPPORT A STATUTORY RESPONSIBILITY

The nature and scope of the Department of Defense's role in providing support to civil authorities have been described in policy. DOD's *Strategy for Homeland Defense and Civil Support* recognizes that homeland defense and civil support are total force responsibilities, and it directs a "focused reliance" on the reserve components for those missions. But there is no equivalent statement of DOD's homeland role in law, and Congress has not specifically tasked the Department with its civil support responsibilities. Policymakers seem reluctant to acknowledge what is obvious to almost every expert who has written on the subject or spoken to the Commission: because of its manpower, communications, and transportation capabilities, DOD is the only organization that can deal with the consequences of a catastrophe incapacitating civilian government over a substantial geographic area, such as an attack by a weapon of mass destruction. The Commission believes that this reluctance to acknowledge reality places the nation at risk.

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DOD is the only organization that can deal with the consequences of a catastrophe incapacitating civilian government over a substantial geographic area.

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While DHS will have the responsibility to coordinate the overall federal response in most national emergencies, DOD must be fully prepared to play a primary role, at the President's request, in restoring order and rendering other assistance in the aftermath of certain catastrophes. To ensure its readiness to perform these missions, DOD must be told that it is required to perform these critical functions and make advance planning, coordination, and training for them a high priority.

Another element not yet written in law is the proper role of the reserve components in emergency response activities. Nowhere is specified the role that the National Guard and Reserves should play in providing homeland civil support, up to and including responding to a major catastrophe of the type described above. While civil support is a responsibility of the total force, it is a mission that the National Guard and Reserves are particularly well-suited to performing. National guardsmen and reservists live and work in communities throughout the country. Their nationwide presence gives them a unique capability as well as the knowledge, experience, and relationships needed to assist civil authorities effectively in restoring order, protecting the public, mitigating damage, and relieving suffering.



## B. INTEGRATING THE RESERVE COMPONENTS INTO HOMELAND OPERATIONS

The Department of Defense and the Department of Homeland Security have not yet acted adequately to integrate DOD and National Guard leadership into national preparedness and response planning activities. DHS still does not contain a resident National Guard presence sufficient to promote necessary levels of coordination among these two vital elements of our national response tool kit. DHS and DOD need to act and act quickly to ensure that DOD is ready to respond, particularly to catastrophic events, in the homeland.

It also is not clear that the nation's military capabilities are arrayed appropriately to meet the threats facing the country. The Army Reserve contains primarily combat support and combat service support capabilities that are useful in responding to domestic crises. The Army National Guard is structured to provide large formation combat arms capabilities for overseas missions, as well as combat support and combat service support capabilities useful at home. Although specific requirements for the homeland must be developed before informed decisions can be made, it is likely that some rebalancing of forces will be necessary for DOD to meet its homeland responsibilities. Because the nation has not adequately resourced its forces designated for response to weapons of mass destruction, it does not have sufficient trained, ready forces available. This is an appalling gap that places the nation and its citizens at greater risk.

There remain significant continuing challenges associated with U.S. Northern Command. The commander of NORTHCOM is responsible for the planning, exercising, and command and control of Title 10 (federal) forces in response to a domestic contingency. NORTHCOM should focus equally on homeland defense and civil support missions. Although DOD agreed in principle with the Commission's March recommendation to alter the staffing at NORTHCOM and its component commands, and the Secretary of Defense prescribed that "a significant percentage" of NORTHCOM's billets should be filled by National Guard and Reserve personnel, U.S. Northern Command has made only limited progress toward that goal.

## C. BUDGETING AND PROGRAMMING FOR CIVIL SUPPORT

The National Response Plan; its successor, the National Response Framework; and related preparedness efforts have not been translated adequately into DOD's programming and budgeting requirements. As we discussed in our March report, the Department of Defense has neither explicitly programmed and budgeted for civil support missions nor adequately equipped the National Guard for its domestic missions, relying on the flawed assumption that they are derivative of its wartime missions. In addition, the Department of Homeland Security has not demonstrated a commitment to assuming its responsibility as the lead agency for identifying the requirements that the Department of Defense must meet to adequately perform domestic civil support missions. DOD has now agreed, as part of its budget processes, to evaluate civil support requirements generated by DHS, but DHS has thus far failed to generate those requirements for DOD to evaluate. In the 2008 National Defense Authorization Act, Congress requires DHS and DOD to coordinate their programming for civil support. While this constitutes important progress, DOD and DHS must demonstrate continuing commitment to the successful implementation of this initiative in order for it to fulfill its purpose of making the nation and its people safer.

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There is a need to clarify lines of authority for military actions in the homeland.

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## D. PROVIDING GOVERNORS THE AUTHORITY TO DIRECT ALL MILITARY FORCES WITHIN THEIR STATE

There is a need to clarify lines of authority for military actions in the homeland. The foundational tenet of national emergency management is that problems should be solved at the lowest level practicable, and most domestic response efforts will be managed at the state level or below. Unity of command, by which we mean the direction of the efforts of all military forces by one government official, is a time-honored principle of military doctrine. However, no mechanism has been established to permit a governor to direct within his or her state the unified efforts of all military forces that are responding to domestic contingencies. In a catastrophe, this lack could lead to confusion, wasted efforts, and loss of life and property. The Department of Defense disagreed with the Commission's March 1 recommendation to develop protocols that allow governors to direct the efforts of federal military assets responding to an emergency such as a natural disaster, and incorrectly suggested that such an approach is inconsistent with established law. In fact, similar protocols are employed routinely overseas when U.S. forces are placed under the command of a foreign commander. The process is fully consistent with law and precedent. The President, as commander in chief, can assign a task force of active duty forces as a supporting command to a state military joint task force while retaining ultimate command authority over those federal forces. This decision by the Department to reject the Commission's recommendation, while offering no viable substitute, places the nation at risk of a disjointed federal and state military response to a catastrophe.

The Commission believes proposed reforms in this area must

- Take advantage of the positioning and expertise of the National Guard and Reserves, stationed throughout the United States in more than 3,000 communities.
- Promote cooperation and proper interrelationships between the chief institutions responsible for homeland defense and homeland security.
- Improve DOD's ability to bring its resources and capabilities to bear efficiently in response to a catastrophe.

**Conclusion Two:** The Department of Defense must be fully prepared to protect American lives and property in the homeland. DOD must improve its capabilities and readiness to play a primary role in the response to major catastrophes that incapacitate civilian government over a wide geographic area. This is a responsibility that is equal in priority to its combat responsibilities. As part of DOD, the National Guard and Reserves should play the lead role in supporting the Department of Homeland Security, other federal agencies, and states in addressing these threats of equal or higher priority.

### Recommendations:

2. Congress should codify the Department of Defense's responsibility to provide support for civil authorities. This statutory language should include the acknowledgment that responding to natural and man-made disasters in the homeland is a core competency of DOD, of equal importance to its combat responsibilities. Congress should also clearly state that DOD should be prepared to provide the bulk of the response to a major catastrophe that incapacitates civilian government over a substantial geographic area and that DOD should initiate the necessary planning, training, and coordination for such events.

3. Consistent with DOD's *Strategy for Homeland Defense and Civil Support*, homeland defense and civil support should continue to be total force responsibilities. However, Congress should mandate that the National Guard and Reserves have the lead role in and form the backbone of DOD operations in the homeland. Furthermore, DOD should assign the National Guard and Reserves homeland defense and civil support as a core competency consistent with their required warfighting taskings and capabilities.
4. A majority of U.S. Northern Command's billets, including those for its service component commands, should be filled by leaders and staff with reserve qualifications and credentials. Job descriptions for senior leaders and other key positions at NORTHCOM should contain the requirement of significant Reserve or National Guard experience or service. In addition, either the officer serving in the position of the commander or the officer serving in the position of deputy commander of NORTHCOM should be a National Guard or Reserve officer at all times.
5. In accordance with §1815 of the 2008 National Defense Authorization Act, the Secretary of Homeland Security, with the assistance of the Secretary of Defense, should generate civil support requirements, which the Department of Defense will be responsible for validating as appropriate. DOD should include civil support requirements in its programming and budgeting. As part of this effort, DOD should determine existing capabilities from all components that could fulfill civil support requirements and rebalance them where appropriate (consistent with their other obligations), shifting capabilities determined to be required for state-controlled response to domestic emergencies to the National Guard, and shifting capabilities currently resident in the National Guard that are not required for its state missions but are required for its federal missions either to the federal reserve components or to the active duty military, as appropriate.
6. The Secretary of Defense should ensure that forces identified as rapid responders to domestic catastrophes are manned, trained, and equipped to the highest levels of readiness.
7. As part of its efforts to develop plans for consequence management and support to civil authorities, DOD should develop protocols that allow governors to direct the efforts of federal military assets responding to an emergency such as a natural disaster. This direction may be accomplished through the governor's use of a dual-hatted military commander.
8. Congress should amend the mobilization statutes to provide service Secretaries the authority to involuntarily mobilize federal reserve components for up to 60 days in a four-month period and up to 120 days in a two-year period during or in response to imminent natural or man-made disasters, similar to that employed to mobilize the Coast Guard Reserve under 14 U.S.C. §712.

### III. CREATING A CONTINUUM OF SERVICE: PERSONNEL MANAGEMENT FOR AN INTEGRATED TOTAL FORCE

DOD's personnel management strategies and the laws, policies, and systems that support them were designed during the middle of the last century. They addressed the problems faced by the armed forces after World War II, in response to Cold War national security and force structure issues and to the demographics of the day. The 21st century presents a completely different set of challenges

to planners focusing on our national security and on military manpower. They must recruit, train, and maintain a technologically advanced force in an era that will be characterized by ever-increasing competition for a shrinking pool of qualified individuals whose expectations about career paths and mobility are changing dramatically. It is essential that the nation recognize these new strategic and demographic realities by developing a personnel management strategy for the new century and by reforming laws, policies, and systems to implement it.

The reserve components' role in such a new strategy will be key. They will provide the flexibility to retain highly trained and skilled personnel who desire career mobility. They will remain a repository of increasingly essential skills that can be gained only in the civilian workforce. Their service in the operational force will be required in peacetime, and they will continue to provide a cost-effective means of ensuring that strategic requirements to meet a large wartime threat are also available.

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It is essential that the nation recognize . . . new strategic and demographic realities by developing a personnel management strategy for the new century.

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The phrase “continuum of service” appears frequently in testimony and documents, but with little explicit description of what would actually constitute such a continuum. As generally understood, a continuum of service would facilitate the seamless transition of individual reservists on and off of active duty to meet mission requirements and would permit different levels of participation by the service member over the course of a military career. In this report, the Commission makes specific, concrete recommendations for changes to law and policy required to bring into existence a true continuum of service. Two critical enablers of an enhanced continuum of service are a reduction in the number of reserve duty status categories and the implementation of an integrated pay and personnel system. Equally important, however, is an integrated personnel management system.

Congress directed the Commission to assess policies and programs for achieving operational and personnel readiness, to identify options for improving compensation benefits, and to assess those options' cost-effectiveness and foreseeable effects on readiness, recruitment, and retention for the regular and reserve components. Of particular concern were health benefits, health insurance, and career development.

The discussion and recommendations that follow provide the foundation of the integrated personnel management system required to meet the realities of the 21st century. Proposed reforms must

- Ensure that military manning decisions are based on national security (including homeland security) requirements, on merit, and on capability.
- Take advantage of the civilian skills of reserve component service members.
- Promote military effectiveness by breaking down barriers to service that prevent further integration of the active and reserve components, while respecting the different ways in which each service makes use of its dedicated, professional part-time force.
- Consider the capabilities that individuals can provide to their country over a lifetime, not just for 20 years.
- In the case of compensation-related proposals, serve specific force management purposes; increase flexibility; provide greater simplification; have a demonstrated systemic benefit; expand choice, volunteerism, and market-based compensation; maximize efficiency; improve the transparency of the costs of compensation over time; draw on the strengths of the private sector; and be fair to service members and their families.
- Understand and respect the impact of reserve component policies and practices on service members and their families, on communities, and on employers.

- Improve the quality of medical care that reservists and their families receive during activation and upon their return to civilian life, and enhance individual medical readiness.

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For DOD to remain competitive, it will have to institute a personnel management system that fosters a true “continuum of service.”

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## A. THE NEED FOR A NEW PERSONNEL MANAGEMENT STRATEGY

The demographics of the available talent pool from which DOD must draw in the 21st century will be different in many significant respects from those of the baby boomer generation, whose members will be retiring in increasing numbers over the next two decades. The services will have to compete with the private sector for a workforce that is growing more slowly and becoming older and more diverse. In addition, the accelerated pace of technological change will continue to intensify the demand for workers who are better educated and more highly skilled.

The current movement in the private sector toward more decentralized, less vertically integrated business organizations is expected to be accompanied by a shift away from permanent lifetime jobs to more fluid and flexible working relationships. U.S. workers are changing jobs more frequently and staying in those jobs for shorter periods. Experts predict that more flexible, nontraditional working relationships will proliferate, a development that will increase the importance of flexible and portable benefit packages for workers. For DOD to remain competitive, it will have to institute a personnel management system that fosters a true “continuum of service.”

Internal reviews within DOD have highlighted similar concerns. A Defense Science Board assessment of its human resources strategy in 2000 called for a single integrated personnel and logistics system for active and reserve components, a pay system that places greater emphasis on pay for performance and skills, modification of the “up or out” promotion system, and reform to the retirement system to provide earlier vesting, a 401(k)-type option, benefit portability, and varying service lengths and retirement points. In April 2006, the Defense Advisory Committee on Military Compensation recommended that changes to the military compensation system be based on increasing both the effectiveness and efficiency of the compensation system as a force management tool.

In its 2007 Human Capital Strategy, the Department of the Navy recognized that workforce demographics are changing and that a new generation of workers expects greater flexibility in their work lives and the opportunity for continued professional development. Many of the recommendations in this section reflect the work of these and previous reviews of force management, dating back to the President’s Commission on an All-Volunteer Armed Force of 1970 (the Gates Commission). There is little question that in the decades ahead, the nation’s military will be competing with civilian employers expected to be offering less rigidly structured organizations and more flexible and shorter-term relationships with employees. Moreover, it enters this competition at a disadvantage: unlike civilian employment, military service entails accepting the possibility of lengthy family separation, injury, and death. Rapid technological change will increase the importance of continuing education and training for personnel, and greater personnel mobility will increase the value of flexible and portable benefit packages.



**Conclusion Three:** Current law and policy still reflect a Cold War–era vision of the employment of valuable military manpower assets and do not adequately support an operational 21st-century force. A new integrated personnel management structure is needed to provide trained and ready forces to meet mission requirements and to foster a continuum of service for the individual service member.

**Recommendation:**

9. DOD should develop a personnel management strategy for a modern military workforce that is diverse, technologically skilled, and desires flexible career opportunities. Key components of this strategy must include an integrated total force that provides opportunities for those who choose a civilian career, as well as ease of transition between differing service commitments; personnel management policies that promote retention of experienced and trained individuals for longer reserve or active careers; and maximum use at all levels of the skills and abilities acquired from civilian experience. Congress must support this strategy with changes to statute where required.

## B. TIME-VERSUS COMPETENCY-BASED PROMOTION CRITERIA

DOD’s current “up or out” promotion system was codified in 1947 to prevent a superannuated senior officer cohort from hindering military effectiveness, a problem observed at the outbreak of World War II. The Defense Officer Personnel Management Act of 1980 (DOPMA) and its follow-on reserve component counterpart, the Reserve Officer Personnel Management Act of 1994 (ROPMA), updated the 1947 legislation but retained the up-or-out structure. In recent years, it has been criticized by numerous studies and experts as inflexible and as a Cold War–era relic.

The up-or-out system under DOPMA is time-based: officers are considered by selection boards for promotion at certain “time” or years-of-service points during their careers. If twice non-selected for the next highest grade, or failed of selection, the officer is subject to involuntary separation or retirement—forced to move “up or out.” Such officers may be permitted by a selective continuation board to remain to meet service requirements, but they nonetheless bear the stigma of the label “failed of selection.”

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Up or out . . . pushes service members out of the force when they are most experienced.

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To remain competitive, officers must punch specific tickets at specific points in their careers. This time-based career management system prevents service members from pursuing alternative career paths and penalizes their attempts to do so. Up or out instead pushes service members out of the force when they are most experienced. A competency-based career management system, organized around the mastery of knowledge, skills, and abilities, would encourage more flexible career paths, thereby permitting longer assignments, greater opportunity for graduate education, time-outs for family responsibilities, the lateral entry of skilled professionals, and longer overall careers. Such changes better reflect the new career patterns in the private sector previously discussed and offer a framework to foster a true continuum of service.

Under current law and policy, promotion boards rank officers on the basis of experience, demonstrated performance, and potential for success in the next grade. A competency-based system would rely on those same criteria but would use accumulated experience gained through assignments,

education, and training to determine which officers are eligible for promotion. Such a system would allow officers to undertake additional or longer assignments or further their education without being at a disadvantage in relation to their peers. For some communities, the required skills, timing of promotions, and career length might change little from today's norms. For the combat arms, for example, a service might decide that the current framework is optimal because of the need for youth and vigor. Similarly, the services might make little change in the promotion timing for officers scheduled for a command/leadership track.

To prevent stagnation, competency would need to be demonstrated for officers to continue in service as well as to be promoted—in other words, “perform or out” in lieu of up or out. Their continuation would be determined by their continued employability by commands or agencies seeking their services.

Transitioning to a competency-based system would also facilitate the development of a single personnel management system, which is essential to the effective management of an integrated 21st-century total force.

#### Recommendations:

10. DOD, with support from Congress, should implement a more flexible promotion system based on the achievement of competencies (knowledge, skills, and abilities, or KSAs); under this new system, the timing of and opportunities for promotion should vary by competitive category (career field), depending on service requirements.
11. The Defense Officer Personnel Management Act (DOPMA) and the Reserve Officer Personnel Management Act (ROPMA) should, over time, be merged into a single system, modified to base advancement on achievement of competencies—including competencies acquired through civilian employment and education as well as military experience. To facilitate the transition, Congress should amend current statutes to create a single type of commission in lieu of the current regular and reserve commissions, consistent with the elimination of the use of reserve designations for personnel and units (see Recommendation #85).

### C. JOINT DUTY EXPERIENCES, JOINT EDUCATION, AND ENHANCING THE CAPABILITIES OF FLAG AND GENERAL OFFICERS

The imperative to employ the reserve components as a portion of our nation's operational forces is not limited to deploying units but must also include reserve component leadership serving in integrated joint and service headquarters. The total force integration required for effective operational employment can best be achieved by ensuring that experts in reserve matters are serving in staff and decision-making positions at all levels. It is clear that future reserve component officers, with both military experience acquired in the operational reserve and civilian skills gained from a variety of experiences

that cannot be duplicated in the full-time military force, will be qualified and desirable for senior leadership positions. But to date, both statutes and policies regarding joint qualifications, joint

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... total force integration ... can best be achieved by ensuring that experts in reserve matters are serving in staff and decision-making positions at all levels.

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education, and opportunities for joint experience have been major obstacles to taking advantage of the considerable pool of talent resident in the reserve components.

The Goldwater-Nichols Department of Defense Reorganization Act of 1986 did not, for the most part, include the reserve components. Though the act mandated that the Secretary of Defense establish policies “similar” to the active component’s for governing reserve component joint education and experience, it contained no provisions requiring that reserve officers ever obtain joint qualification. Indeed, DOD did not even act on establishing similar policies for two decades after receiving Congress’s direction to do so, and there is still no requirement for reserve component officers to be joint qualified. The systems put in place to offer such qualifications to reservists are so new that they cannot be fairly assessed at this time, but some early reports on their implementation are not favorable.

Until reserve officers are held to the same standards as their active component peers and are required to obtain joint experience, education, and qualification to achieve promotion to senior ranks, the armed forces will not be able to take full advantage of the unique skills and experiences that these professionals possess and will not achieve the integration essential for the most effective employment of an operational reserve. The recommendations that follow address these disparities.

**Recommendations:**

12. Congress should amend the Goldwater-Nichols Act to require reserve component officers to be designated as “joint qualified” (under the new joint qualification system, effective October 1, 2007) and, at the end of a 10-year transition period, to make joint qualification a criterion for promotion to flag and general officer rank. Congress should mandate that the services develop an action plan and milestones and report regularly to Congress on progress made to accomplish this goal.
  - a. To provide an incentive for early attainment of joint service qualification, service Secretaries should charge their reserve promotion boards selecting officers for the rank of colonel or Navy captain in the reserves to assign additional promotion weight to those officers who have achieved full joint education, have served in joint duty assignments, or are recognized as joint qualified.
  - b. Each service should integrate the management of its active and reserve component service members to better administer its military personnel and ensure that all members are afforded the joint duty and educational opportunities necessary for promotion to senior ranks.
13. For the next five years, DOD should annually increase the number of fully funded slots allocated to reserve component officers at the National Defense University, service war colleges, and the 10-week Joint Professional Military Education II in-residence course to foster greater interaction between active and reserve component students and to increase the number of educationally qualified reserve officers. DOD should direct senior service schools to adjust the curricula and requirements in their distance learning programs to include material that will satisfy JPME II requirements for joint qualifications, as they have done for their in-residence courses.
  - a. Capitalizing on technology, Advanced Joint Professional Military Education should be redesigned to provide formats that encourage active and reserve component participation from all services in a manner that satisfies course objectives, affords social interaction, and values the individual service members’ time and other obligations.

- b. Active component officers should be permitted to attend and receive full credit for AJPME, and the course should be viewed as equivalent to the Joint and Combined Warfighting School.
  - c. DOD should require that all reserve component officers selected for general or flag officer rank attend CAPSTONE; the services should provide full funding for this effort, and the school should have sufficient capacity to accommodate these officers without significant delay.
- 14. DOD should establish programs to provide reserve component enlisted members with joint duty and JPME opportunities comparable to programs available to their active duty counterparts.
- 15. JPME-related courses offered as part of all levels of service professional military education, including service academies and ROTC programs, should contain significantly more material on reserve component organizations and capabilities to increase the understanding of, and appreciation for, the skills and background of reserve component service members.
- 16. For both active and reserve component officers, criteria for granting joint duty experience credit should be flexible enough to allow for a qualitative assessment of proficiency based on knowledge, skills, and abilities in joint matters, not on inflexible time-based requirements. Congress should expand the statutory definitions of joint matters to incorporate service involving armed forces in operations, including support to civil authorities, with state and local agencies.
- 17. DOD should list all manpower billets in joint organizations in a single manpower document. As part of this change, DOD should review all positions thoroughly and identify the essential skills or special background qualifications required or desired for each. To develop a pool of reserve component officers with the range of professional and joint experience required for selection to senior ranks,
  - a. DOD and the military services should develop a program that enables reserve component members to become fully joint qualified after rotating through the following assignments: serving over a period of years in a drilling status, serving on active duty for training in select joint billets, completing JPME either in residence or by distance learning, and, finally, serving a year on active duty in a joint designated billet. This program would allow reservists acting as individual augmentees to serve in a predictable manner and provide them joint qualification while supporting the operational needs of the Joint Staff and combatant commanders. To ensure that the best qualified officers are able to participate in this program, reimbursement of travel expenses for those selected should be mandated (see Recommendation #53).
  - b. Congress should amend the Goldwater-Nichols Act to require that the level of reserve component officer representation in service headquarters and joint organizations, including combatant commands and the Joint Staff, be commensurate with the significant role that reserve components play in DOD's overall missions.
  - c. The Secretary of Defense should require that National Guard or Reserve officers on tours of active duty serve as director, deputy director, or division chief within each joint directorate on the Joint Staff and at the combatant commands.

18. In order to provide an incentive to the services to increase the number of billets available to reserve component general and flag officers, Congress should allow the services to assign reserve component general and flag officers to billets currently filled by active component officers by waiving up to 10 percent of the current statutory limitation (877) on the number of active component general and flag officers on a one-for-one basis, and sunseting this additional head space at the end of 5 or 10 years. Priority should be given to assignment in joint positions. Congress should require DOD to report annually on the number of reserve component general and flag officers serving (1) in joint duty positions and (2) in positions of importance and responsibility. Following the sunset, Congress should reconsider the number of Chairman's exempt positions, taking into account the number of reserve general and flag officers who have successfully served in joint tours during this time.

## D. TRACKING CIVILIAN SKILL AND EMPLOYER DATA

Civilian skills are a reserve component core competency, but DOD has done little to harness these skills. DOD's Civilian Employment Information (CEI) database is not an effective tool in this regard, in part because it does not capture updated employment information and because the way it records civilian skills data is not standardized for practical use.

By contrast, some U.S. allies around the world have developed reserve programs that track and to varying degrees utilize the civilian skills of their reserve military personnel. Such programs enable them to maintain a reserve force of personnel who are highly trained and experienced in their civilian and military specialization. In addition, some allies are collaborating with employers to develop military training programs focused on skills specific to both the military and civilian occupations of their reservist employees, thereby providing not only highly qualified reserve military members for the government but also highly qualified civilian employees for employers.

A robust civilian skills database that tracks, in standardized format, comprehensive education, training, and experience data on reservists would be a valuable tool for commanders seeking to fulfill mission requirements.

### Recommendations:

19. DOD should develop a standardized system for developing and maintaining a "civilian skills database" that is consistent with standardized database formats, such as that used by NATO, to allow worldwide interoperability.
20. Congress should direct DOD to revalidate the current civilian employer database annually, to require service members to update the information in this database annually, and to expand the database to include résumé-type narrative information.

## E. AN INTEGRATED PAY AND PERSONNEL SYSTEM

The military has a long history of problems with the administration of personnel and pay and its associated information technology. The current automated systems are neither joint, integrated, nor standardized across the military components, and the resulting deficiencies include incorrect pay, low data quality, multiple personnel files and records, and inaccurate accounting of credit for service. The Defense Integrated Military Human Resources System (DIMHRS) is the Department

of Defense’s solution to existing personnel and pay problems. It is a Web-based human resource system, integrating personnel and pay and designed to ensure that timely and accurate compensation, benefits, and entitlements are afforded to all military personnel throughout their careers and in their retirement.

The manpower management systems and processes in place today are crude tools that have evolved over decades of applying Cold War administrative policies and procedures. Many service members reported to the Commission that these systems routinely raise unreasonable obstacles to transitions between military jobs, cause loss of entitlements such as leave, and engender a reluctance to volunteer for service. These systems hinder the services from fully utilizing the talents of the available manpower pool. Initiated more than a decade ago, DIMHRS has struggled with numerous delays, a lack of accountability, increased costs, and mismanagement; the system remains controversial within some of the services.

The future human resource system must be a “continuum of service system” that enables a trouble-free, easy transition between active and reserve statuses. Movement between the active component and reserve component will be based on the needs of the service and the availability of the individual member to support existing requirements. To make these transitions seamless, the “on-ramp” and “off-ramp” procedures must be smooth. The Defense Department is in critical need of an integrated pay and personnel system capability, whether a single system such as DIMHRS or multiple systems as part of a larger enterprise architecture, that enables an easy transition between active and reserve service, accurately records critical information regarding a member’s service, and provides timely pay and benefits.

#### **Recommendation:**

21. DOD should implement a combined pay and personnel system as soon as possible to rectify the inadequacies in today’s legacy systems. Further, this implementation, together with the reduction and simplification of duty statuses and duty categories (see Recommendation #22), should receive immediate attention at the highest levels of DOD leadership. Whether DOD establishes a single system or multiple systems as part of a larger enterprise architecture, the military personnel and pay system must be streamlined and made more efficient. It must provide better service to military personnel and their families, including accurate records of service and timely and error-free delivery of compensation, benefits, and entitlements.

## **F. DUTY STATUS REFORM**

A complicated framework of laws, policies, and rules developed through the decades since 1916 has resulted in the current byzantine duty status structure. Today’s 29 duty statuses are confusing and frustrating to both reserve component members and their operational commanders. Service members may encounter pay and benefit problems, including in health care eligibility for their family members, when they transition between one or more duty status categories. Commanders may experience similar frustration when seeking to access, in a timely manner, reserve component members needed to meet operational requirements. The current operational use of the reserve component demands simplicity, compatibility, and administrative clarity to meet training and mission requirements and to promote a continuum of service. Under a simplified system, reserve component members, whether in a Title

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Under a simplified system, reserve component members, whether in a Title 10 or Title 32 status, should either be on duty or off duty.

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10 or Title 32 status, should either be on duty or off duty. (This new system would not alter the nature of National Guard service in state active duty.)

One sticking point in previous attempts to simplify duty status categories has been the difference between the pay and allowances received when the reserve component member is either activated or in an active duty training status and the pay received for two drills per day when the member is in an inactive duty training status. In recommending a reduction to two duty statuses, the Commission recognizes the continued salience of this issue, which would benefit from additional analysis, and offers a possible approach to deal with it in the full report.

**Recommendations:**

22. DOD should reduce the number of duty statuses from the current 29 to 2: on (active) duty and off (active) duty. All reserve duty will be considered active duty, with appropriate pay and other compensation. The 48 drills should be replaced with 24 days of active duty. A day's pay should be provided for a day's work without reducing compensation for current service members. The system should be sufficiently flexible to deal with service-specific training requirements.
23. During the transition to two duty statuses, DOD should uncouple existing statuses from pay and other compensation, substantially reduce the number of duty statuses, and standardize them across the services for ease of understanding and use.
24. DOD should develop a plan to implement these changes within two years of this report, and should complete their implementation within five years of the report's issuance.

***The Operational Support Manpower Accounting Category***

Each year Congress prescribes both active and reserve component end strengths. Following September 11, 2001, the active duty force needed more assistance from reserve component members. Those who served temporarily on active duty were not counted against active duty end strength, provided that they served for 179 days or less. Once they passed the 180-day threshold, however, they counted against active duty end strength and active duty grade tables.

In 2004 Congress created, at DOD's request, a new category for counting reserve component strength called active duty for operational support (ADOS). It is composed of reserve component members who volunteer for active duty

for operational support missions. Those who are on voluntary active duty providing operational support can remain on active duty for up to three years, or for three years cumulatively over a four-year period, without being counted against active duty end strength. Congress tasked the Commission to assess DOD's implementation plan for the ADOS category. The Commission notes that DOD has successfully implemented a plan to manage the active duty for operational support category, but does not believe it to be an effective force management tool.

To avoid problems with end strength authorization, some are seeking to remove the current three-out-of-four-years restriction on reserve component personnel serving in the ADOS category. The Commission believes that there are better alternatives, such as transitioning those ADOS billets to active duty, career civilian, or contractor billets.

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... the Commission believes that managing forces by end strengths is inefficient and makes it necessary to create workarounds.

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Further, the Commission believes that managing forces by end strengths is inefficient and makes it necessary to create workarounds to remain within prescribed levels, as the ADOS manpower accounting category itself illustrates. By contrast, Congress recognized the inefficiencies inherent in managing by end strength for DOD civilians and eliminated such management in 10 U.S.C. §129.

The Commission concludes that the operational support (ADOS) category is not an effective force management tool and could be phased out if duty statuses were simplified and if there were less emphasis placed on managing the U.S. military through authorized end strengths.

#### Recommendations:

25. As a part of the process of simplifying duty status categories, Congress should phase out the ADOS category and designate long-term billets as either active duty or civilian or as part of a program that rotates reserve members on full-time active duty tours. Such a program would benefit both the reservists, to whom it would provide career-broadening experience, and DOD, which would take advantage of the unique talents and experience within the reserve component.
26. Congress should cease to manage DOD manpower levels by using authorized end strengths. DOD should budget for—and Congress should fund—personnel, active and reserve, based on requirements and needed capabilities.

## G. AN INTEGRATED RETIREMENT SYSTEM

Today's non-disability retirement systems for both the active and reserve components were designed shortly after World War II for a Cold War-era force that relied on a draft. At that time very few inductees remained in uniform past their initial term of service, and the retirement benefit was intended to meet the needs of the relatively small proportion of service members who served a full 20-year career. The military offers very generous retirement benefits immediately upon separation to career service members in the active component, a comparable benefit received at age 60 by career service members in the reserve components, and no retirement benefits at all for non-disabled service members who serve for less than 20 years. Thus the increasingly integrated active and reserve components have two separate retirement systems. They are based almost entirely on the age when a service member receives his or her retirement annuity, with 20-year "cliff" vesting that excludes 85 percent of active duty enlisted personnel and 53 percent of officers from receiving any non-disability retirement benefits. Only 24 percent of reservists serve long enough to be eligible for 20-year retirement. Numerous studies undertaken since the inception of the all-volunteer force have recommended major modifications to the system, such as earlier vesting and deferred receipt of the annuity. The commission that recommended the creation of the all-volunteer force, the Gates Commission, in fact suggested that for such a force, earlier vesting was more appropriate than 20-year cliff vesting.

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... the military retirement system, for both the active and reserve components, is in need of deep, systemic reform.

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Reliance on deferred benefits, such as retirement pay, is costly and an inefficient force management tool. As discussed elsewhere in this report, manpower is becoming increasingly unaffordable. Under the current system, many service members retire soon after they reach the 20-year point. As the Gates Commission noted in its 1970 report, many of those who retire early are individuals with the best salary and employment opportunities in the civilian sector and thus are "precisely the individuals the services would like to retain longer." The current system should be modified to

provide for earlier vesting, government contributions to the Thrift Savings Plan in a manner similar to the Federal Employee Retirement System, and retention incentives at critical career points. Such a change would improve force management and provide greater equity, particularly to enlisted members who seldom become eligible for any non-disability benefits. In addition, a single system for both active and reserve component members would foster a continuum of service, as envisioned in other changes recommended by the Commission. All current service members should be grandfathered under the existing scheme but offered the opportunity to switch to the new one.

In short, the military retirement system, for both the active and reserve components, is in need of deep, systemic reform.

**Recommendations:**

27. Congress should amend laws to place the active and reserve components into the same retirement system. Current service members should be grandfathered under the existing system but offered the option of converting to the new one; a five-year transition period should be provided for new entrants, during which time they could opt for either the new or the old plan.
28. Congress should set the age for receipt of a military retirement annuity at 62 for service members who serve for at least 10 years, 60 for members who serve for at least 20 years, and 57 for members who serve for at least 30 years. Those who wish to receive their annuity at an earlier age should be eligible to do so, but the annuity should be reduced 5 percent for each year the recipient is under the statutory minimum retirement age (consistent with the Federal Employees Retirement System). For reserve component members, retired pay would continue to be calculated on the number of creditable retirement years, based on earning at least 50 retirement points per creditable year.
  - a. Congress should expand current statutory authority to permit all service members to receive up to 5 percent of annual basic pay in matching government contributions to the Thrift Savings Plan; the government's contribution would vest at 10 years of service, and the Thrift Savings Plan benefit would be portable and thus capable of being rolled over into a civilian 401(k) account.
  - b. Congress should pass laws providing that the military retirement system allow some portion of its benefits to be vested at 10 years of service.
  - c. As part of the reformed retirement system, retention would be encouraged by making service members eligible to receive "gate pay" at pivotal years of service. Such pay would come in the form of a bonus equal to a percentage of annual basic pay at the end of the year of service, at the discretion of the services.
  - d. As part of the reformed retirement system, service members who are vested would receive separation pay based on the number of years served and their pay grade when they complete their service.

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The Department of Defense . . . does not program or budget to meet the needs of a ready, capable, and available operational reserve.

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#### IV. DEVELOPING A READY, CAPABLE, AND AVAILABLE OPERATIONAL RESERVE

Readiness is a key determinant in the ability of the reserve components to achieve their roles and missions, and therefore is closely monitored. Congress tasked the Commission to assess how effectively the organization and funding structures of the National Guard and Reserves are achieving operational and personnel readiness. An operational reserve component requires a higher standard of readiness than does today's Ready Reserve, for a greater duration, with less time to achieve readiness goals between deployments. If the reserve components are to sustain this standard of readiness, the services must change their policies, budgets, and planning. Traditionally, readiness has three components: personnel, training, and equipment. In addition, individual medical readiness and the type and amount of full-time support are important factors in reserve component readiness. Readiness requirements vary by service and, within each service, by a unit's progression through the applicable appropriate force generation model.

The readiness of units and of individuals varies greatly among the services, and the differences relate largely to funding. The services are encountering difficulties in funding the readiness of both their active and reserve components. The Department of Defense exerts great effort in developing requirements and justifying budget requests for thousands of service programs. However, it does not program or budget to meet the needs of a ready, capable, and available operational reserve, including the funding required for individual medical readiness, full-time support, and homeland missions.

In addition, DOD does little or nothing to measure the output of its programs in their year of execution. DOD measures programs against their spending plans; thus, it considers them successful when 100 percent of funds are fully obligated at fiscal year-end. This approach provides no mechanism for assessing the cost-effectiveness or value of a particular program or its effect on the readiness of the force.

Finally, the readiness of reserve forces is useful only as long as the services have assured access to all of the reserve components, and can draw on the resources invested in their reserve components to accomplish assigned missions.

**Conclusion Four:** The reserve components have responded to the call for service. Despite shortages in equipment, training, and personnel they have once again proven their essential contribution to meeting national security requirements in a time of need. To sustain their service for the duration of the global war on terror will require maintaining the force at a new standard of readiness. Current policies cannot accomplish this task. A ready, capable, and accessible operational reserve will require an enduring commitment to invest in the readiness of the reserve components. This commitment will necessitate service integration, additional resources, and new constructs for employing the reserve components and for assessing readiness.

##### Recommendations:

29. The services should budget for, and Congress annually should authorize, the amount of funding necessary to support the operational portion of the reserve components, ensuring that their budget requests are sufficient to meet their readiness requirements for overseas and homeland missions, including for individual medical readiness and full-time support.

30. The Secretary of Defense should mandate that future programming decisions and budget requests be linked to the delivery of desired outcomes, conveyed in budget justification material in a manner that clearly delineates funding for reserve programs.
31. Senior leaders at service headquarters and large commands must be held accountable for the readiness and performance of Reserve and National Guard units within their purview. These responsibilities must be reflected in job descriptions and performance appraisals.

### *Readiness Reporting*

The service Secretary and Chief of each service are responsible for the readiness of both their active and reserve components. All too often, the Commission has found this statutory responsibility to be so diluted through delegation that those with Title 10 responsibility for reserve component readiness do not monitor and report on that readiness.

Complicating any effort to assess the readiness of the reserve components is the lack of uniform reporting standards among the services. Moreover, their reports do not include information on full-time manning levels, on individual medical readiness, or on the readiness of the National Guard and Reserves to perform homeland missions.

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Complicating any effort to assess the readiness of the reserve components is the lack of uniform reporting standards among the services.

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#### **Recommendations:**

32. Readiness reporting systems should be expanded to encompass full-time support and individual medical readiness. The readiness reporting system should also identify individual and unit readiness to perform the full spectrum of missions, including support to civil authorities.
33. The Secretary of Defense should mandate that a common readiness reporting system include reporting on all data needed to determine readiness of units and allow full access to underlying data on personnel, equipment, and training. The system should be managed by the Joint Chiefs of Staff to assist the Chairman in the Chairman's statutory requirement to report on readiness and should include both active and reserve component data, thereby precluding any need to transfer data on reservists.

## **A. PERSONNEL**

The personnel readiness of reserve component units is a measure of the number of personnel in each unit, the individual qualifications of the service members, and the distribution of leaders. The services have testified before the Commission as to ongoing shortages of junior and mid-grade officers in both the active and reserve components. There are also persistent shortages of individuals in certain "high-demand/low-density" skill categories, while certain skills are overrepresented in the reserve components. The impact of the current operational tempo on personnel readiness has been mitigated through force-shaping programs such as the use of recruitment and retention bonuses, advanced promotions, and the cross-leveling of units to obtain qualified personnel. However, these policies do not provide a sustainable basis for maintaining the personnel readiness of the reserve components as part of an integrated total force that promotes a continuum of service. (Recommendations on attracting, managing, and supporting personnel appear in sections III and V.)

## B. INDIVIDUAL MEDICAL READINESS

Although not included in the existing readiness rating system, two additional personnel factors are critical to the personnel readiness of the reserve components: individual medical readiness and full-time support. DOD sets a service-wide goal of 75 percent for individual medical readiness. Five of the seven reserve components are not satisfactorily meeting DOD medical readiness standards.

### Recommendation:

34. Ensuring individual medical readiness is a corporate responsibility of the Department of Defense. The Assistant Secretary of Defense for Health Affairs should create an account in the Defense Health Program for the reserve components to meet the individual medical readiness (IMR) requirements that it has established, and then hold individuals and their unit commanders responsible for maintaining individual medical readiness standards.
  - a. DOD should provide annual dental screening at no cost to service members.
  - b. To encourage reservists to maintain dental readiness, Congress should, for the member only, reduce the out-of-pocket costs for restorative dental care (currently 20–50 percent) under the TRICARE Dental Program.
  - c. All services should adopt a policy of requiring service members to be medically ready at the time they complete annual training requirements.
  - d. Commanders of all National Guard and Reserve units should be held responsible for the individual medical readiness of their unit, and reserve component members should have appropriate incentives to meet IMR standards.

Congress should authorize that service Secretaries may provide members of the Ready Reserve any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment. To provide such screening and care, service Secretaries should be authorized to use any available funds appropriated for the operations and maintenance for the reserve components involved.

## C. FULL-TIME SUPPORT

Adequate full-time support is essential for reserve component unit readiness, training, administration, logistics, family assistance, and maintenance. The effective performance of such functions correlates directly to a unit's readiness to deploy.

In the Army, funding for full-time support has not been sufficient. In fact, the Army does not have a reliable process for determining full-time support requirements in its reserve components. But it is clear that in particular, small units (equivalent to company-size and below) have not received adequate FTS personnel. The provision of full-time support is an opportunity for the Army to more fully integrate its active and reserve components into a total force.

The full-time support programs in the reserve components of the Navy, Marine Corps, and Air Force promote the achievement of total force readiness and one standard. The Marine Corps and Navy programs could, however, do more to increase interaction between the active and reserve component.

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Recommendations:

35. All reserve component full-time support personnel must be the best-qualified individuals, selected for these billets on the basis of their knowledge, skills, and abilities to fulfill unit full-time support needs, including needs for training and certification for deployment. To support a competitive career path they must be required to serve in periodic tours with the active component, in operational forces, or in total force assignments at joint or service-level headquarters.
36. Congress, with input from the Department of Defense, should adopt a new model to provide full-time support to the Army reserve components as part of an overall program to improve their military effectiveness and to more fully integrate the Army and its components into a total force. This program should have the following elements:
  - a. On an expedited basis, the Army should complete a baseline review—that is, a full manpower review, down to the lowest level—to determine the full-time support requirements for the reserve components as part of an operational force, including those requirements related to DOD’s homeland defense and civil support missions.
  - b. DOD should program and budget, and Congress should fully fund by fiscal year 2010, the Army’s identified full-time support requirement. The Secretary of the Army should also seek to generate additional military manpower for this purpose, including through military-to-civilian conversions.
  - c. The Army should replace all Army Reserve Active Guard and Reserve (AGR) personnel with active component soldiers with recent operational experience serving rotational tours. The transition should take place gradually, in phases, to ensure that the careers of currently serving AGR Army reservists are protected.
  - d. Military full-time support for the Army National Guard should be a mix of active component soldiers and AGR soldiers. Active component soldiers serving in Guard FTS positions should have recent operational experience and serve in rotational assignments of defined duration, under the control of the governor, and be dual-hatted, serving in Title 10 status and in the state’s National Guard.
37. The Secretary of the Army should prescribe that all military technicians in the Army’s reserve components be assigned to the same organization in both their military and civilian capacities at all times, that they be required to maintain full qualification in both their military and civilian capacities, that they deploy with the organization to which they are assigned, and that such technicians who lose their military qualifications shall be either reassigned to non-deploying civilian positions or separated in accordance with established civilian personnel procedures.
38. The Marine Corps Active Reserve program should be merged into the active component with no loss to the Marine Corps Reserve in total full-time support billets. This merger should be completed in phases to protect the careers of marines currently serving in the Active Reserve.
39. The Navy Reserve’s FTS program should be replaced with a program that provides active component full-time support to reserves with no loss in the number of

**billets that support the reserve component. The transition to active component FTS for the Navy should take place in phases to protect the careers of currently serving FTS Navy reservists.**

## D. TRAINING

The reserve components have minimum training requirements defined in law that equate to approximately two days per month plus two weeks of annual training. In addition, some service members perform individual training and qualifications. Each reserve component trains its personnel differently, but all currently report unmet training needs. This problem is rooted in the additional training requirements generated from consolidation and transformation initiatives, as well as in wartime requirements that have combined to create unaddressed needs for increased training capacity. During their long wait to be trained, reservists are not available to fully engage in unit activities.

An operational reserve will require additional training resources to achieve necessary readiness levels for three reasons. First, an operational reserve will be expected to be ready to deploy under a “train, mobilize, deploy” model. As a result, most individuals and units will be required to train more than the traditional 39 days per year in order to meet standards established by the services’ force generation models. The Army National Guard and Army Reserve will need to certify the readiness of their units at home stations. Army officials responsible for certification must be engaged before activation to avoid repeated checks at post-mobilization training sites. Post-mobilization training must be efficient and focused solely on theater-specific requirements in order to maximize the “boots on the ground” time of deployment within the limited period of activation. Reserve component training will require greater planning and coordination with the active component. Current Army reserve component training programs are inadequate to meet the needs of this operational force construct.

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An operational reserve will require additional training resources to achieve necessary readiness levels.

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### Recommendations:

40. The Secretary of Defense should ensure that training institutions and facilities are resourced to meet the needs of the total force. In particular, institutions should be able to meet the current training needs of reserve component personnel, whether the courses they offer are resident, nonresident, or distance learning tailored to the reserve components. The service Secretaries should ensure that the school training system provides sufficient access to seats for members in its active and reserve components to meet total force training requirements, and should further integrate the system as necessary to achieve that goal.
  - a. Each service should reassess the number of training and administrative days that reserve component units and members will need prior to activation. The services should fund and implement policies to undertake more pre-mobilization training and to focus training on mission requirements.
  - b. The services should disclose fully to all prospective members of units the expected number of training days required annually to participate successfully in that unit. Annual training requirements beyond the traditional 39 days per year should be based on unit needs and accomplished by clear mutual agreement with the individual service member regarding his or her minimum obligation.

- c. Training equipment must be sufficient to give service members regular access to modern warfighting equipment so that they can train, and can develop and maintain proficiency, on the same type of equipment with which they will be deployed and fight.
41. To effectively implement a “train, mobilize, deploy” model, the Secretary of the Army should direct that pre-deployment training is programmed for and that reserve component units are certified ready to the company level. This certified training should ensure that units arrive at mobilization stations without the need to be recertified and are ready to perform theater-specific training.

## E. EQUIPMENT AND SUPPLIES

Congress tasked the Commission to assess the adequacy of funding for National Guard and Reserve equipment. The high operational use of reserve equipment in the current conflicts has degraded their readiness for both combat operations and domestic emergency response. Such degradation, added to the low priority historically given to reserve component requirements and such practices as passing down older, obsolete equipment from the active to the reserve components, has generated equipment deficiencies.

Existing equipping strategies and budgets for equipment are inadequate to sustain an operational reserve. DOD reports show a \$48 billion unfunded shortfall for reserve component equipping at the beginning of fiscal year 2007. This figure does not include the projected costs of adequately equipping reserve forces to meet the requirements of the Army Force Generation Model or to prepare adequately for responding to catastrophes. Many reserve component units in the Army continue to have non-deployable substitute equipment. The Army’s plans to modernize and equip its reserve components are unrealistic in light of plans to increase active component end strength, prior unfulfilled plans to equip its reserve components, and requirements associated with transformation initiatives. Too often Army materiel development, acquisition, and modernization programs, as well as multi-year procurement contracts, do not integrate reserve component requirements. For example, the Army has not programmed to provide the Army National Guard with its multi-billion-dollar Future Combat System (FCS), its main transformation initiative.

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The Army has funded or programmed nearly \$47 billion for reserve component equipment between 2005 and 2013. Yet current Army plans and budgets for equipment will not restore readiness and attain the goal of fully manning, training, and equipping its units until 2019. The current strategies of equipping just prior to deployment and cross-leveling equipment between units will likely continue for some time. The Commission believes that this target date of 2019 delays the restoration of equipment readiness for too long and increases the likelihood the Army’s plan will not be realized. The goal of fully equipping the Army reserve components should be reached much sooner, with particular emphasis on rapidly procuring critical dual-use (CDU) equipment.

The Army National Guard has identified a funding shortage for critical dual-use items needed for both warfighting and domestic emergency response. As noted above, the Department of Defense does not explicitly budget and program for civil support missions, and the Department of Homeland Security has not identified the requirements that DOD must meet to adequately perform domestic civil support missions.



Equipment readiness is a matter not just of adequate funding but also of ensuring oversight of funding allocations. It is extremely difficult to track reserve component equipment from its appearance in budget documents to its delivery. DOD officials responsible for performing this function can provide only estimates, not accurate assessments of progress in efforts to eliminate shortfalls in reserve component equipment levels.

The challenge for the reserve components in equipment funding is tracking the money from the budget line to execution. Procurement funding is consolidated for all components in each service in a document referred to as the P-1. A supplemental document, the P-1R, lists the equipment (and associated funding) that is identified in the P-1 as intended for distribution to the reserve components. However, there is no mechanism to ensure that the items specified in the P-1R are not subsequently diverted to other purposes. In the work leading to our March report, the Commission looked at the viability of establishing a separate procurement appropriation for each component—consistent with current treatment of personnel, operations and maintenance, and military construction. The Commission concluded that the efficiencies of consolidation outweigh the benefits of a separate appropriation.

A better solution, which improves accountability for equipment destined for National Guard and Reserve forces while retaining the synergy and efficiency of the existing process, is to assign a separate program element code to each of the components. Requiring separate program elements would continue to provide the economy of scale and efficiencies of one appropriation while allowing oversight during the execution process. Any major reprogramming from reserve to active component use would require approval from the four defense oversight committees.

#### **Recommendations:**

42. Congress should require that total force equipment requirements be included in service and joint materiel development, acquisition, and procurement plans, production contracts; and delivery schedules.
43. Program elements should be added to the DOD procurement budget justification material and accounting system to increase transparency with regard to reserve component procurement funding and to improve DOD's ability to track delivery of equipment to the reserve components.
44. The services should conduct a baseline review of reserve component equipment requirements, encompassing the accelerated degradation of equipment readiness caused by the current operations as well as the services' plans to implement force generation deployment models for both the active and reserve components; those requirements for civil support identified through DOD's collaboration with the Department of Homeland Security; and a revalidation of existing requirements, some of which remain tied to Cold War force management and a strategic reserve.
45. The services should use this review to prioritize funding to restore equipment readiness for the current operations and to prioritize programming and budgeting for requirements, including
  - a. Re-equipping programs for the Army and Marine Corps that would restore their reserve components to a C-1 level (as measured by the Status of Resources and Training System, modified pursuant to Recommendation #32) for required equipment on hand (including systems in training sets) as soon as possible, but no later than 2015.
  - b. Providing critical dual-use (CDU) equipment to conduct the full range of homeland missions as soon as possible, but no later than 2013.



## F. Access to the Reserve Components

Mobilization laws and policies are among the key factors that affect how the reserve components are used, in terms both of how accessible the reserve components are to the federal government and of how predictable deployments are for service members. These laws and policies must provide adequate authority and generate practices to support a predictable and effective mobilization process.

Current mobilization statutes were enacted for Cold War-era scenarios in which the National Guard and Reserves were a force to augment and backfill the active forces (after long post-mobilization training periods) only in the event of a major conflict. These statutes address neither the needs of the current prolonged conflict, in which portions of the reserve component are at an extremely high operational tempo, nor the permanent use of that force in a sustainable system of rotation.

Service Secretaries are tasked with the responsibility under Title 10 to organize, man, train, equip, and mobilize forces within their departments. However, the mobilization process is in fact managed within the Department at a higher level, burdened by lengthy approval processes that can cause delays in notification to units and individuals about pending deployments.

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On January 19, 2007, Secretary Gates issued a mobilization policy that addressed the lack of effective guidance regarding how many times a reservist can be mobilized, for how long, and the amount of time reservists should be allowed to remain at home between deployments: he announced that reservists can be remobilized, stating as a goal that mobilizations should be for periods of no longer than 12 months, with a five-year dwell time between them. However, this policy cannot be fully implemented by the Army and Marine Corps given current global commitments and the existing force structure.

In addition, DOD and the services have explored using contract-based service agreements to augment existing mobilization statutes. An example of such agreements is the variable participation reserve unit (VPR-U) concept, which provides for members to become part of a unit performing more than the minimum annual training commitment without involuntary mobilization. Such contracts further DOD's goal of enabling enhanced participation by reserve component service members.

### Recommendations:

46. Congress should amend the partial mobilization statute (10 U.S.C. §12302) to clarify congressional intent with regard to the duration of the mobilization obligation.
47. The limitation of 1,000,000 service members at any one time that can be mobilized under a partial mobilization should be replaced with a limitation that is relevant to the size of the existing Ready Reserve or the new reserve component categories proposed by the Commission in Recommendation #86.
48. Congress should require the military services to report on any potential impediments to implementing dwell times and deployment periods that are sustainable during current and projected operations and to specify the necessary actions and appropriate milestones to overcome these impediments.

49. Service Secretaries should be empowered to exercise their statutory authority to conduct the functions of mobilizing and demobilizing their respective departments. Other DOD organizations should defer to this statutory authority.
50. The military services should provide their members with adequate notice of a mobilization. Until the Army and Marine Corps have fully implemented force generation models for predictability, alert notification for these services needs to occur earlier—one year out—to allow all units sufficient time to train and prepare for deployment.
51.
  - a. Congress should update 10 U.S.C. §12311 to provide for contract-based service agreements for units and individuals of the reserves.
  - b. DOD should employ a contract-based service and incentive system to ensure access to the reserve components and to provide predictable and sustainable activations.
  - c. The services should expand the number of variable participation reserve units.
  - d. The contract-based system of assured availability recommended here should form the basis of accessing the Operational Reserve category outlined in Recommendation #86.

## V. SUPPORTING SERVICE MEMBERS, FAMILIES, AND EMPLOYERS

The Commission was tasked by Congress to assess “the adequacy and appropriateness of the compensation and benefits currently provided for the members of the National Guard and the other reserve components, including the availability of health care benefits and health insurance.” Since that time, Congress has made a number of improvements in the compensation and benefits, including health care, provided to reserve component members. Congress has, for example, approved a reserve component critical skills bonus and permitted the Secretary of Defense to waive the requirement limiting that bonus to those with not more than 25 years of service, expanded high-priority unit assignment pay, improved the housing allowance, created new health care benefits for reserve component members and their families, and authorized payment of a stipend to continue civilian health plan coverage for an activated reservist’s dependent with special health care needs.

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The ability . . . to receive medical care when a service member is activated . . . remains a major worry for reserve component families.

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The Commission examined remaining disparities in compensation and benefits and evaluated the availability and user-friendliness of DOD’s health care program (TRICARE) for reserve component families. In addition, the Commission paid particular attention to two major influencers of the reserve component member’s decisions about enlistment, participation, and retention: families and employers.

The ability of reserve component family members to receive medical care when a service member is activated (so-called continuity of care) remains a major worry for reserve component families, because civilian providers often do not participate in TRICARE and because for many family members, particularly those new to the military, TRICARE is difficult to navigate and not user-friendly.

Numerous serious shortcomings have been identified in the health care provided to injured service members, including inadequate case management, delays and inconsistencies in the disability determination process, lack of coordination between the Department of Defense and the Department of

Veterans Affairs, and inadequate processes for assessing such grave conditions as post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI).

In addition, although employer support is critical to recruiting and retaining a quality reserve force, DOD has not taken sufficient steps to recognize the vital role that employers play, such as providing them with greater predictability in their employees' deployments and creating a stronger partnership between employers and senior-level decision makers within the Department. There continue to be reports that employer support is waning.

**Conclusion Five:** To maintain an operational reserve force over the long term, DOD must appropriately support not only the service members themselves but also the two major influencers of members' decisions to remain in the military—their families and employers. Significant improvements in current programs in all three areas are essential to sustain an operational reserve force both today and in the future.

### A. Compensation

#### *Housing and Travel Issues*

In 2004, a congressionally directed DOD report on reserve compensation identified the requirement that reservists be on active duty for 140 days or more in order to receive full basic allowance for housing (BAH) as a funding-driven disparity impeding a seamless flow from reserve to active duty status. Congress subsequently reduced the threshold to 30 days. In the Commission's view, the lower 30-day threshold remains a funding-driven constraint that both is out of sync with duty status reforms recommended elsewhere in this report and impedes a continuum of service.

In testimony at public hearings, considerable concern was expressed to the Commission about the distances that some reserve component members must travel to their weekend drills and the out-of-pocket costs incurred by members for that travel. The average distance traveled varies among the services, depending on whether the reservist drills with a local unit or provides support to a more distant command. The problem has been exacerbated in some components by the Defense Base Closure and Realignment Commission process. As a result, commanders have found it increasingly challenging to recruit and retain qualified personnel, particularly for leadership positions, who may reside far from their training locations.

If Congress were to expand recently enacted legislation to provide DOD with broader authority to reimburse reserve component service members, on a discretionary basis, for inactive duty training (IDT) travel over 50 miles, military commanders would be better able to effectively manage the reserve component. In addition, authority to reimburse for travel is consistent with—and an important component of—the duty status reforms recommended elsewhere in this report.

DOD and Congress will need to further review compensation and personnel policy issues to ensure that reserve component members are treated equitably both during and after the transition to two duty status categories.

#### **Recommendations:**

52. Congress should eliminate the ordered-to-active-duty-for-more-than-30-days requirement for receipt of full basic allowance for housing.

53. Congress should provide the service Secretaries with discretionary authority, delegable to the reserve component Chiefs, to reimburse service members for travel expenses in excess of 50 miles to participate in what are currently called drill periods. In addition, using existing authority, the services should budget for and provide lodging to each reserve component member who travels more than 50 miles from his or her residence to perform inactive duty training.

### *The Montgomery GI Bill*

The Montgomery GI Bill–Selected Reserve benefit was designed as a retention tool that provides educational assistance to reserve component members who continue in a drilling reserve status. Over the past several years, more than half of reserve component members using a reserve educational benefit (including the MGIB-SR) were unable to continue their education because they were activated. Current law does not allow a reserve component service member to use the MGIB-SR benefit if he or she leaves the Selected Reserve and transitions into the Individual Ready Reserve.

#### **Recommendation:**

54. Congress should amend the law to permit reserve component service members who have been activated for a specified period of time to use MGIB-SR benefits after their discharge, provided that they remain subject to recall and supply DOD with accurate contact information.

## **B. SERVICE MEMBER PROTECTIONS**

Reservists returning to civilian life sometimes encounter difficulties in their civilian employment. The Uniformed Services Employment and Reemployment Rights Act of 1994 defines the roles and responsibilities of individual agencies in aiding such reservists, but it does not make any single individual or office accountable for overseeing the entire complaint resolution process. The lack of such oversight makes it difficult for the relevant agencies—the Departments of Defense, Labor, and Justice, and the Office of Special Counsel—to effectively carry out their USERRA responsibilities, though all have taken action to improve the information provided to employers and the assistance offered to service members under the law.

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USERRA, which establishes that an employee may be absent from work for military duty for a cumulative total of five years and retain reemployment rights, was originally written with a strategic reserve force as its focus, but its Cold War design does not appear to have disadvantaged service members or their families at a time when the reserves have become operational. USERRA affords reservists fundamental protection against employment and reemployment discrimination. Moreover, its cumulative five-year maximum, along with its exemptions to that limit, provides an essential safeguard for the service member. USERRA and Department of Defense policy offer adequate notice to and redress for employers, given the unpredictable nature of military duty. Nonetheless, USERRA would benefit from some fine-tuning as the reserves become an operational force.

USERRA, which establishes that an employee may be absent from work for military duty for a cumulative total of five years and retain reemployment rights, was originally written with a strategic reserve force as its focus, but its Cold War design does not appear to have disadvantaged service members or their families at a time when the reserves have become operational. USERRA affords reservists fundamental protection against employment and reemployment discrimination. Moreover, its cumulative five-year maximum, along with its exemptions to that limit, provides an essential safeguard for the service member. USERRA and Department of Defense policy offer adequate notice to and redress for employers, given the unpredictable nature of military duty. Nonetheless, USERRA would benefit from some fine-tuning as the reserves become an operational force.

USERRA does not specify how much advance notice of duty is required to be provided to employers. An employer may ask the unit for verification of the duty performed; but under USERRA, an employer is entitled to proof of service only when the period of absence exceeds 30 days. Any inconvenience to the services caused by providing proof of an employee's service is minor in comparison to the sacrifices that employers willingly bear.

USERRA also provides that a reservist's health care plan can be reinstated on reemployment, without exclusions or a waiting period. However, in the case of flexible spending accounts (employer-established benefit plans, primarily funded by the employee, that are used to pay for specified medical expenses as they are incurred), this intent conflicts with the Internal Revenue Code, whose treatment of FSAs unfairly penalizes redeploying service members. Moreover, there is no clear rule that protects the health care reenrollment rights of a service member whose return to work is timely but who elects not to immediately reenroll in his or her employer-based health care plan, choosing instead to use the Transition Assistance Management Program (TAMP) benefit. The TAMP 180-day post-deployment transitional TRICARE coverage is a valuable benefit for redeploying service members and their families, and it is unfair that service members who elect to use this benefit are put in the position of losing USERRA's protection of civilian health insurance coverage.

The Servicemembers Civil Relief Act (SCRA) allows all members of the armed forces to suspend or postpone some civil obligations so that they may devote their full attention to their duties. An area of particular concern is mortgage foreclosure. Reservists face considerable stress when they return from deployment; while some of those stressors are unavoidable, service members can be given more time to deal with the threat of foreclosure.

Lastly, the use of Social Security numbers on military documents, identity cards, and dog tags increases the chance that military members and their families could be the victims of identity theft and related fraud.

### Recommendations:

55. Congress should make a single entity accountable for overseeing the entire USERRA complaint resolution process.
56. USERRA's five-year limit and its exemptions should not be eliminated or modified. USERRA should, however, be amended to establish that an employer is entitled to documentation, if available, confirming that an employee performed any period of military service.
57. Both the Internal Revenue Code and USERRA should be amended to specify that when service members are mobilized and until their deployment ends, the "year" in which funds were deposited into their flexible spending accounts be frozen.
58. USERRA should be amended to specify that an exclusion or waiting period may not be imposed in connection with the reinstatement of an employer-based health care plan upon reemployment or upon termination of health care coverage under the Transition Assistance Management Program, whichever is later. In addition, the Servicemembers Civil Relief Act (SCRA) should be amended to increase the period during which a service member may apply for reinstatement of health insurance from 120 days to 180 days, the period of TAMP eligibility.
59. The SCRA should be amended to increase to a period greater than 90 days the time allowed a service member to file for relief from foreclosure.
60. DOD should replace Social Security numbers with another form of unique identifier for service members and their families in all Defense systems and should discontinue the use of SSNs on identity cards and dog tags.

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Many "suddenly military" National Guard and Reserve families . . . find TRICARE to be difficult to navigate and non-user-friendly.

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## C. HEALTH CARE

Using TRICARE is often a challenge for reserve family members unfamiliar with its complexities. Many “suddenly military” National Guard and Reserve families, whose service members are activated for the first time, find TRICARE to be difficult to navigate and non-user-friendly. Many reserve component families find it difficult to maintain continuity of medical care using their existing health care providers once their service member is activated, because many civilian health care providers do not participate in TRICARE. Simplifying the TRICARE reimbursement and claims process would encourage more providers to participate in the program.

TRICARE Management Activity and the military services have not undertaken a sufficiently aggressive educational campaign to help improve reserve component families’ understanding of TRICARE. Important elements include more briefings, Web pages, and printed materials prepared for first-time users, as well as the creation of a centralized ombudsman capability to assist families in solving their TRICARE problems.

The Commission examined health savings accounts and flexible spending accounts as an alternative to TRICARE and found that they do not offer a viable option, as currently structured. However, as an add-on, flexible spending accounts could prove helpful in offsetting unreimbursed out-of-pocket costs, such as co-payments and deductibles.

The Federal Employees Health Benefits Program (FEHBP) makes a variety of insurance plans available to federal employees nationwide at reasonable cost. It offers a viable alternative to TRICARE, with the potential of improving continuity of care for family members when service members are activated. In addition, a stipend provided by DOD to the service member or employer, or a tax credit to the employer, to retain coverage for family members during activation could help maintain continuity of care for the member’s family and could provide an incentive for employers to hire reservists. In the Commission’s view, payment of a stipend would do more than give families an important benefit: it would constitute a major element of an enhanced compact with employers, whose continued support, like that of families, is essential to recruiting and retaining top-quality young men and women in the National Guard and Reserves.

### Recommendations:

61. Congress should direct DOD to resolve long-standing issues for families not located near military treatment facilities (MTFs). This direction should include mandates to
  - a. Update educational materials to be more user-friendly, written in easy-to-understand language.
  - b. Establish an Assistant Secretary of Defense for Health Affairs ombudsman office, with a single toll-free customer support number, for family members who do not have convenient access to an MTF benefits counselor to resolve problems.
  - c. Simplify the TRICARE claims and reimbursement process to eliminate current disincentives that discourage providers from participating in the TRICARE program.
62. In addition to offering TRICARE Reserve Select to all members of the Selected Reserve, Congress should amend the law to permit reserve component members to participate in the Federal Employees Health Benefits Program (FEHBP). When the service member is activated, with or without the member’s consent, DOD should pay the premiums for coverage of the service member’s family. When the



member is inactivated, however, the member should again pay the premiums, as is now the practice, for TRICARE Reserve Select.

63. Congress should establish a program that provides the activated service member with a stipend (whose use for medical care must be certified) or provides the employer either a direct stipend or a tax credit as reimbursement for the cost of keeping the member's family in the employer's health insurance plan during the period of activation; the stipend should be based on an actuarially determined cost of the TRICARE benefit.

## D. ENHANCING FAMILY SUPPORT

Family members play an important role in the service member's decision to remain in the military. Increased operational use of the reserves has placed added stresses on families and family relationships. Reserve component family members face special challenges because they are often at a considerable distance from military facilities and lack the on-base infrastructure and assistance available to active duty family members.

Some families have reported problems in obtaining needed information and assistance from other services or other reserve components. Military family members today believe that all families in the community should enjoy a comparable level of "purple" support services, regardless of an individual's service or component—with adequate funding and staffing resources. And while a robust network of reserve component family members who serve as volunteers assisting other RC family members is a critical element of an effective family support program, family readiness suffers when there are too few paid staff positions within family support programs to help maintain the volunteer network's administration.

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Military family members today believe that all families . . . should enjoy a comparable level of "purple" support services.

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For families living a considerable distance from on-base facilities, Military OneSource is the best current program providing "one-stop shopping" for military family support services, but it is under-advertised and underutilized. Many reserve component members and their families have never heard of this valuable resource. Families also need better sources of information and assistance during the mobilization and demobilization processes.

### Recommendations:

64. DOD should create a "purple" system, available to employees of any DOD family assistance center via the Internet and phone, that would allow any family member access to needed information.
65. DOD should increase funding within reserve component budgets for family support services to ensure that there are sufficient paid staff members within these programs to maintain the services' volunteer networks. In order to reduce the isolation of reserve component families, DOD should place a paid, full-time employee charged with family support at the unit level in all units (and the term *unit level* should be defined by each component) to augment the existing volunteer network.
66. DOD should initiate and execute a massive information campaign to educate reserve component members and their families about the capabilities offered by the Military OneSource program.

67. DOD should change its policies to increase the amount of family participation in the mobilization and demobilization process in order to help educate family members about benefits, health care, family support programs, potential demobilization issues, and other family concerns.

## E. ESTABLISHING A COMPACT WITH EMPLOYERS

Like families, employers have a major influence on whether reservists continue their reserve participation and on the level of that participation. In a 2002 report, DOD acknowledged the need for a stronger compact between DOD and the employers of its reserve members. Employers are experiencing many challenges because of the high operational tempo of the reserve components during the past several years. These challenges have caused a strain in relations between employers and DOD.

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... employers need a stronger voice to make their concerns known at the highest levels of the Department of Defense.

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Created in 1972, the National Committee for Employer Support of the Guard and Reserves (ESGR) fosters support for reserve service within the employer community and assists individual reservists who are experiencing problems with their employers because of their reserve status. ESGR relies heavily on a nationwide network of local employer-support volunteers. Given the operational use of the reserves today, the role of ESGR within the Department of Defense and within the employer community clearly should be strengthened. In the Commission's view, employers need a stronger voice to make their concerns known at the highest levels of the Department of Defense. In addition, DOD currently has no one phone number that employers can call or Web site that they can visit to receive comprehensive information on reserve component issues; such a centralized source would greatly enhance employers' education about and knowledge of these issues and would benefit reserve component members as well.

The federal government employs more reserve component members than any other employer in the United States. In the benefits it offers reserve component members, such as military leave and continued medical coverage for family members during activation, the federal government sets the pattern for other employers. The federal government should also be a model employer in its treatment of reservists, but this is not always the case.

Several countries allied with the United States are using contracts between the government, employers, and employees to form a "sponsored/contracted reserve," which can be used to provide a manpower pool for military mobilization based on specific skills. A sponsored/contracted reserve is also part of the compact between the government and the employer in which all parties participate, enabling all to agree to the reservist's level of commitment.

The resources available from the Small Business Administration to aid small business owners who employ mobilized and deployed reserve component members are not well publicized. The Small Business Administration does not have an effective program to educate small business owners on how they can protect themselves from incurring a substantial monetary loss when one of their employees is deployed. The time period during which Military Reservist Economic Injury Disaster Loan (MREIDL) assistance is available to small businesses that employ reserve component members is inadequate.

### Recommendations:

68. The mission of the National Committee for Employer Support of the Guard and Reserves (ESGR) should be expanded. It should encompass helping employers

find information on a wide range of topics, including those within the purview of the Department of Labor, Small Business Administration, and Department of Veterans Affairs; preparing and distributing information to employers on post-deployment health issues faced by reserve component members, such as post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI); and providing employers with information on the sources of assistance available to the member and his or her family.

- a. DOD should increase the numbers of ESGR paid staff, particularly ombudsmen in the field, to enhance the level of expertise available to employers and service members and to promote greater institutional memory.
  - b. ESGR's name should be changed to reflect its expanded mission. The new organization should balance its outreach to employers and to service members and their families.
  - c. Supervision of ESGR should be removed from the Assistant Secretary of Defense for Reserve Affairs, and the ESGR's executive director should be made an advisor or assistant to the Secretary of Defense.
69. The Secretary of Defense should establish an employer advisory council to meet regularly with and provide direct input to the Secretary of Defense. The Secretary should appoint the council members in accordance with congressional direction regarding the type and mix of employers who should be included. In addition, DOD should establish a program for regularly surveying employer interests and concerns and should track data developed in those surveys on a longitudinal basis.
  70. The President should direct all federal agencies and the U.S. Postal Service to issue guidance emphasizing the importance of reserve service; prescribing appropriate behavior for supervisors with regard to their employees who are reservists, including treatment of reservists as a criterion for rating performance; and prescribing sanctions for noncompliance. State and local governments should adopt similar policies and procedures.
  71. Information on Military Reservist Economic Injury Disaster Loans (MREIDLs) and other assistance from the Small Business Administration should be provided to reserve component members and their small business employers at the time they join the National Guard or Reserves. Either these small businesses should be able to get MREIDLs immediately, because they have key employees in the reserve component, or they should be able to do all the paperwork and qualify for the loans at that time, and then secure them as soon as the employee learns that he or she will be activated.
  72. DOD should explore the possibility of creating and implementing a standardized program for a "contracted reserve" that is developed around a contract between volunteer civilian employers, their volunteer employees, and the U.S. government to provide a specialized and skilled reserve force for use in time of need.

## F. DEMOBILIZATION AND TRANSITION ASSISTANCE

The demobilization process is designed to assist reserve component members in transitioning back to civilian life. For today's operational reserve, it is also essentially the first opportunity to begin preparing reserve component members for their next deployment. Many problems in the demobilization

process have come to light during the global war on terror. Those issues have been considered over the past year by a number of other commissions and task forces and by Congress in its passage of the landmark Wounded Warrior Act. Numerous serious shortcomings have been identified in the health care provided to injured service members, including inadequate case management, delays and inconsistencies in the disability determination process, lack of coordination between the Department of Defense and the Department of Veterans Affairs, and inadequate processes for assessing such grave conditions as post-traumatic stress disorder and traumatic brain injury.

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... the pre-deployment health assessment mandated by Congress may not adequately identify serious mental or physical health problems.

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Several groups performing reviews have found significant differences in how disability ratings are assigned both within and between the services and between DOD and VA.

The demobilization process relies on data gathered before service members deploy, but the pre-deployment health assessment mandated by Congress may not adequately identify serious mental or physical health problems prior to deployment. Once service members return, shortcomings in the demobilization process delay timely identification of PTSD, TBI, and other serious health problems. There are significant disparities among the services with respect to how well health care providers follow up on the mental health questions on the Post-Deployment Health Assessment (PDHA). The Office of the Secretary of Defense also has failed to provide uniform guidance. In addition, the services do not adequately track completion of the Post-Deployment Health Reassessment (PDHRA) within the required 90–180 days, a lapse in oversight that affects reserve component members.

While physical injuries are usually identified and treated when they occur, mental health problems may at first not be easily detected or may be the result of cumulative exposure. Inactivating reserve component members often lose touch with their colleagues and their chain of command during the transition process, as current DOD policy exempts involuntarily activated members from drill periods for 60 days after a unit returns from deployment. During that span of time, serious problems may go unrecognized. And problems may be exacerbated if the PDHRA is not administered in a timely manner.

In fact, 44 percent of reservists and 41 percent of national guardsmen screened since 2005 have reported some concerns about psychological health. Because many reserve component members live at a significant distance from military installations, however, they often have considerable difficulty in finding good information about and access to medical care. Reserve component members who serve in cross-leveled units distant from their home station and as individual replacements can face particularly difficult challenges in finding needed support and assistance after they are inactivated.

Reserve component members returning from theater may be discharged with their dental problems unresolved. Many are unaware that they have a limited time period, recently increased from 90 to 180 days, to access dental care through VA. Failing to seek such care can impair dental readiness for the next deployment cycle and result in additional out-of-pocket expenses.

Many reserve component members do not receive adequate transition assistance information during briefings and during the demobilization process, especially when demobilization occurs at a site other than their home station. A good model is the Minnesota National Guard's Yellow Ribbon Program, which offers a promising holistic system for addressing the reintegration challenges of medical benefits, suicide prevention, family benefits, legal issues, education, employment, and business.

Recommendations:

73. To ensure coordinated implementation of the excellent recommendations of the reports submitted by numerous commissions over the past six months, as well as Congress's landmark Wounded Warrior Act, the President should require the development of action plans—including timelines for implementation—by the Department of Defense, the Department of Veterans Affairs, and other federal agencies. The President should also establish a cabinet-level task force to oversee their implementation, coordinate interdepartmental concerns, and address issues of funding with the Director of the Office of Management and Budget. The cabinet-level task force should make its top priority restructuring and streamlining the DOD and VA disability determination processes and eliminating other long-standing VA and DOD stovepipes, such as medical information systems that lack interoperability and bidirectionality.
74. The pre-deployment health assessment should be revised to reflect the original congressional intent to establish baseline health data, including data on psychological health; it should also go beyond the current reliance on self-assessment to incorporate greater participation by health care providers.
75. Reserve component units should resume monthly drills immediately after demobilization. As recommended by DOD's Mental Health Task Force, "At least the first drill should focus on reintegration issues with attention to discussion of deployment experiences, aspects of reintegration into community life, coping strategies and resilience supports, and other appropriate topics."
76. The services should more closely track Post-Deployment Health Reassessments to ensure that they are completed within the statutorily required 90–180 days and that a member who has identified problems on the reassessment receives face-to-face counseling from a provider. In addition, a tracking system should be established to identify reservists who have not completed the PDHRA, and DOD should monitor the services' compliance with all requirements.
  - a. DOD should prescribe uniform guidance for providers who follow up on responses to the mental health questions on the Post-Deployment Health Assessment, and it should monitor the services' compliance.
  - b. DOD, VA, and the services should establish protocols requiring VA participation in the counseling of service members and their families both before and after deployment, as well as VA participation in all post-deployment health reassessments.
77. The services should develop a protocol to ensure that needed services are available to reserve members who do not demobilize at their home station or who are members of the Individual Ready Reserve. The services should establish a tracking system to make certain that these individuals receive all the information, help, and benefits to which they are entitled.
78. Reserve component members should have one year to apply for dental care through VA.
79. Transition assistance information should be provided not just during the demobilization process but also during the first several post-demobilization drill sessions. Family members should be encouraged to attend and to participate in transition



assistance; they should be counseled on the services available to assist families in coping with post-deployment concerns.

80. A single standard of reintegration care should be provided to all those who serve on extended or multiple deployments regardless of their service or reserve component category (Individual Ready Reserve, Retired Reserve, or individual mobilization augmentee). Funding to provide these services should be reflected in each service's base budget for the reserve components.

## VI. REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

Congress directed the Commission to assess the current and future organization and structure, roles, and missions of the National Guard and Reserves. The current leadership structure of the reserve components and categories of reserve service were created and evolved during an era when the reserve components were intended to be used solely as a strategic reserve. If the Department of Defense and Congress choose to continue to use the reserve components as both an operational and a strategic force, then they will need to reform department, service, and reserve component organization and leadership structures to sustain that force.

**Conclusion Six:** The current reserve component structure does not meet the needs of an operational reserve force. Major changes in DOD organization, reserve component categories, and culture are needed to ensure that management of reserve and active component capabilities are integrated to maximize the effectiveness of the total force for both operational and strategic purposes.

### A. MAKING NECESSARY CULTURAL CHANGES

Though there have been efforts at the highest levels to bridge the cultural and structural divide between the active component and the reserve component and though improvements have been realized in some of the services, the divide persists, to the detriment both of components and of the overall military mission. Some cultural divisions are not just perceptions but are based in law.

#### Recommendations:

81. While differences will persist, the Secretary of Defense should recognize the cultural divide that exists between the reserve components and the active components, and should develop a new Total Force Integration Policy to achieve the next level of integration among all components.
82. The service Secretaries should ensure that active component officers are encouraged to serve in reserve component units and that such service is considered favorably when determining who is most qualified for promotion.
83. Reserve component officers and senior enlisted personnel should be selected for leadership positions in reserve component units without geographic restrictions. As proposed in Recommendation #53, reserve training travel allowances should be modified to eliminate fiscal obstacles to implementing this policy.



84. All vestiges of the cultural prejudice existing between reserve and active component personnel that remain in law and policy should be removed. In particular, Congress should modify section 1187 of Title 10 to allow reserve officers to serve on Boards of Inquiry for active component officers.
85. Reserve designations should be removed from all titles, signature blocks, and unit designators.

## B. TRANSFORMING RESERVE COMPONENT CATEGORIES

The existing reserve component categories (RCCs) were designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union. They do not optimally support the rotational use of the reserve components over a prolonged period, as now envisioned by the Army and Marine Corps. The existing reserve component categories are not meaningfully tied to mobilization statutes, in that the three major subdivisions of the RCCs—Ready Reserve, Standby Reserve, and Retired Reserve—are not constituted in a way that reflects their readiness for mobilization, their use on a cyclic rotational basis or as part of a strategic, surge force, or their priority for resourcing.

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The existing reserve component categories . . . do not optimally support the rotational use of the reserve components over a prolonged period.

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The current construct of RCCs must be expanded to encompass the total force, including the active components and retirees, both regular and reserve. This spectrum also includes men registered with the Selective Service System. Managing this entire spectrum holistically will foster required integration and a true continuum of service. It will support the reserve components' role as part of the operational forces and more efficiently allocate efforts to manage personnel who are part of the nation's strategic reserve force.

### Recommendations:

86. The current reserve component categories should be reorganized. The total force manpower pool should be viewed as consisting of the full-time active components and the reserve components, which should be divided into two categories that support integration, a continuum of service, the operational use of the reserve force, and continuing strategic depth and the ability to surge when required. DOD and the services should effectively manage and resource both of the categories.
  - a. The two major divisions that should be established are
    - The Operational Reserve Force, which will consist of present-day Selected Reserve units and individual mobilization augmentees and will periodically serve active duty tours in rotation supporting the total force.
    - The Strategic Reserve Force, which will consist of two subdivisions:
      - The Strategic Ready Reserve Force, consisting of current Selected Reserve units and individuals who are not scheduled for rotational tours of active duty as well as the most ready, operationally current, and willing members of today's Individual Ready Reserve and retired service members (regular and reserve), managed to be readily accessible in a national emergency or incentivized to volunteer for service with the operational reserve or active component when required.

- The Strategic Standby Reserve, consisting of those current Individual Ready Reservists and retired service members (regular and reserve) who are unlikely to be called on except in the most dire circumstances yet who still constitute a valuable pool of pretrained manpower worth tracking and managing.
  - b. Today's Standby Reserve category should be eliminated and its members that are not viable mobilization assets should be excluded from the total reserve force; those that are temporarily unavailable for mobilization should be maintained in the Strategic Reserve together with others unlikely to be called to service except in the case of full mobilization.
  - c. DOD and service leaders, in consultation with the Chairman of the Joint Chiefs of Staff and combatant commanders, must carefully determine which portions of each reserve component's current Selected Reserve should be placed in the Operational Reserve Force and which should be placed in the Strategic Reserve Force. These decisions must be based on requirements for units in rotation in constructs such as the Army Force Generation Model, the Marine Corps Total Force Generation model, and the Air Force Air and Space Expeditionary Force model. Requirements for homeland security and civil support capabilities must also be considered, and they may dictate that larger portions of the National Guard components be maintained in the Operational Reserve Force.
  - d. Each service must develop tools and incentives to manage each individual's movements between RCCs according to requirements for personnel, skills, and experience in active component and reserve component units and according to each individual's willingness and ability to serve. These tools must consist of both inducements for individuals to volunteer for service with operational forces when needed and the legal authority to enforce their compliance with contractual obligations.
87. Members of the current Individual Ready Reserve and all military retirees should be placed into either the Strategic Ready Reserve Force or the Strategic Standby Reserve—depending on their readiness and willingness to serve, and on the need for their skills—and both categories should be managed to take advantage of these individuals' vast experience, including for homeland-related missions.
  88. Regular retired service members and retired reserve service members should be managed together in the same RCCs and encouraged both to volunteer and to maintain readiness for identified mobilization assignments.
  89. Service Secretaries should be held accountable for resourcing and managing their total reserve manpower regardless of category in order to maintain, ready for activation, the optimal pool of personnel with required skills and experience. The Secretary of Defense should report annually to Congress on the status of both the Operational and Strategic Reserve Forces.
  90. DOD should treat individuals registered with the Selective Service System as part of the total manpower pool available in the event of national emergency, and should coordinate planning for the mobilization and training of those individuals with the Director of the Selective Service System.

## C. REFORMING INSTITUTIONS TO SUPPORT AN OPERATIONAL RESERVE

Management of reserve forces was segregated from management of the active force during the Cold War. This approach, which worked when DOD plans assumed that the reserves would be called on once in a generation, is ill-suited to a long war that will require the use of the reserves as part of an operational force for the foreseeable future. Current and projected reserve component missions require greater interdependence between the reserve and active components than now exists.

As was discussed in our March 1 report regarding the Chief of the National Guard Bureau, the duties and responsibilities of the reserve component Chiefs have changed significantly since 9/11. As a result, a grade review is also needed in their case.

Title 10 of the United States Code assigns to the service Secretaries the responsibility and authority for conducting all affairs within their departments, including the management of reserve components. Service Chiefs have a similar mandate to oversee the manning, training, and equipping of their reserve forces, including the National Guard components. The Directors of the Army and Air National Guards, reporting solely to the Chief of the National Guard Bureau, are not optimally positioned to facilitate the execution of Title 10 responsibilities by the Secretaries and Chiefs of the Army and Air Force, respectively.

The Commission believes that the individuals serving in the Office of the Assistant Secretary of Defense for Reserve Affairs are some of the most highly qualified public servants in the Department of Defense. However, this office operates in isolation from functional managers elsewhere within the Office of the Secretary of Defense and thereby inhibits total force integration. It also operates in areas that interfere with the legal mandate given to the service Secretaries and service Chiefs to manage the reserve components. Moreover, its existence has exacerbated a tendency within the Office of the Secretary of Defense and the Joint Staff to deal with reserve component issues on a separate, stovepiped path, rather than efficiently integrating them with total force issues in the functionally organized offices of the Secretary. These problems are purely a function of the organizational structure with the Office of the Secretary of Defense, and do not reflect on the fine professionals who work in this office.

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. . . the Office of the Assistant Secretary of Defense for Reserve Affairs . . . operates in isolation from functional managers elsewhere within the Office of the Secretary of Defense and thereby inhibits total force integration.

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### Recommendations:

91. The services Secretaries should manage reserve issues as part of the total force and assign the staffs who work on those issues to the appropriate assistant secretary assigned responsibility for the corresponding active component issues.
92. The Secretary of Defense should direct each service to review the duties, command relationship, authority, and grade of the respective DOD reserve component Chiefs/Commanders to determine whether the grade is appropriate for the duties being performed, and whether it is commensurate with duties performed by four-star officers in the Department. The Secretary should initiate action, as necessary, to change the grades determined to be appropriate for the reserve component Chiefs/Commanders. The grades of all reserve component Chiefs/Commanders and the Chief of the National Guard Bureau should be periodically reviewed to

ensure that the duties and responsibilities required for these positions support the grade designated for them.

93. The statutory qualifications of all reserve component Chiefs should include the requirement that the officer appointed should be from the reserve component of the office to which he or she is appointed. Congress should amend sections 5143 (Office of Naval Reserve: appointment of Chief) and 5144 (Office of Marine Forces Reserve: appointment of Commander) of Title 10 to ensure that the Chiefs of the Naval Reserve and Marine Forces Reserve are from the reserve components of those services.
94. Congress should establish an office for the Director of the Army National Guard and an office for the Director of the Air National Guard within the Army and Air Force staffs, respectively. The directors of these offices would have responsibilities similar to those held by the Chief of the Army Reserve and the Chief of the Air Force Reserve. The Director of the Army National Guard of the United States would assist the Army Chief of Staff in executing the Chief's responsibilities pursuant to Title 10 U.S.C. §3033. The Director of the Air National Guard of the United States would assist the Air Force Chief of Staff in executing the Chief's responsibilities pursuant to Title 10 U.S.C. §8033. The Directors of the Army and Air National Guard would have dual reporting responsibilities—reporting both to their respective Chiefs of Staff and to the Chief of the National Guard Bureau for non-federal National Guard matters. The Secretaries of the Army and Air Force should evaluate the need to establish commands for Army and Air National Guard forces serving in a Title 10 status as members of the Army National Guard of the United States and Air National Guard of the United States, respectively, and whether the Directors of the Army National Guard and the Air National Guard should command such organizations.

#### *Explanation of Recommendation #94*

The Commission believes that long-standing problems associated with relations between the Air and Army National Guard and their parent services, while to some extent necessary outcomes of tensions inherent in our federalist system of government, nevertheless must be examined and alleviated in order to enhance the ability of the National Guard to perform its vital state and federal missions. The Commission believes that any proposed solutions should better align the statutory authorities (10 U.S.C. §3013 and §8013) and responsibilities of the Secretaries of the Army and Air Force from the service Secretaries to the Directors of the Air and Army National Guard. These service Secretaries are responsible for formulating “policies and programs that are fully consistent with national security objectives and policies established by the President and Secretary of Defense” for their entire department, including the National Guard components.

The Chief of National Guard Bureau's role would be elevated by provisions in the 2008 National Defense Authorization Act, consistent with the recommendations of our March 1 report. Having been given a four-star rank and increased responsibilities as an advisor to the Secretary of Defense on matters related to the National Guard forces in non-federal status, the CNGB should retain the ability to influence decisions regarding such matters and ensure that the needs of states and their governors are addressed in policies formulated by the Secretary of

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. . . long-standing problems associated with relations between the Air and Army National Guard and their parent services . . . must be examined and alleviated.

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Defense. The CNGB would also retain direct lines of communication to the service Secretaries and their Chiefs of Staff. At the same time, placing National Guard leaders on the staffs of the service Chiefs of Staff will ensure that those same policies are carried out at a lower level in the Department and that the National Guard components are provided the resources they require to perform effectively in both their state and federal roles. We believe this is the best approach to solving the problems we identify; we emphasize, however, that what is most important is not how the problems are solved but that they are solved as soon as possible.

The service Secretaries have statutory authority (10 U.S.C. §§3074 and 8074) to prescribe command organizations. When National Guard service members are called into federal service they are operationally attached to specific commands to perform their operational missions. However, as in the case of Army and Air Force Reserves, the Secretaries may determine it is beneficial to have a specific commander responsible for other oversight of these service members. The Commission sees considerable merit in the proposal to establish such commands, but believes the nature of these structures should be determined by the service Secretaries based on the needs of their service. (See Appendix 1 of the full report for Additional Views of Commissioner E. Gordon Stump on this recommendation.)

95. Congress should pass legislation eliminating the Office of the Assistant Secretary of Defense for Reserve Affairs. The Secretary of Defense should report to Congress on how responsibility for reserve issues currently managed by the ASD-RA will be addressed by the appropriate under secretary or assistant secretary assigned responsibility for corresponding active component issues, and whether any further legislation is needed to ensure that personnel working on reserve issues hold rank and have responsibilities commensurate with those of their counterparts who handle active component issues.

# I. CREATING A SUSTAINABLE OPERATIONAL RESERVE

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Since employing the National Guard and Reserves in Desert Shield and Desert Storm, the Department of Defense has increased their operational usage to sustain global commitments. As their contribution to our nation's defense efforts in recent operations at home and overseas has risen to almost five times the level it was before 9/11,<sup>1</sup> the National Guard and Reserves have proven once again that their role is critical. The threats our nation will face for the next decades, fiscal realities that include the spiraling cost of personnel and a shrinking discretionary budget, and the value the reserves provide—through their lower costs, ties to their communities, and civilian skill base—together necessitate the operational employment of our reserve components, a change that has occurred with little public discussion or debate among our appointed or elected officials. From the Commission's analysis, it is clear that no feasible alternative to a continued reliance on the reserves exists.

Indeed, the increasing cost of personnel, and the challenges of recruiting and retaining qualified individuals, will, we believe, inevitably lead to reductions in the size of the active force. This shrinking of the active force will necessarily be accompanied by increased reliance on reserve forces for operations, particularly for homeland missions, and by greater integration of the reserves with the active component.

Yet neither the use of the reserves as an operational force nor the declarations that they are one ensure that such use is either feasible or sustainable. As Representative Ike Skelton testified, "[T]here is a fine balance that must be found to ensure that the current or even potentially higher operational tempo of the reserve components is sustainable in the long term."<sup>2</sup> The Commission finds that the current posture and use of the National Guard and Reserves as an operational reserve is not sustainable over time, and that major reforms are needed to create a viable and sustainable operational reserve force.

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"There is a fine balance that must be found to ensure that the current . . . operational tempo of the reserve components is sustainable in the long term."

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## A. THE UNPLANNED EVOLUTION TO AN OPERATIONAL RESERVE

From our nation's inception, its security has depended on the strength of those citizens who took up arms in our defense. They have had many names over the years—minuteman, national guardsman, soldier, sailor, airman, marine, and coastguardsman; volunteer, draftee, and reservist—but they all served our nation when needed. This spirit of service is a constant through the reserve components' history of changing requirements and evolving structures. Congress has occasionally adjusted the statutes governing them to better meet national security requirements. The current reliance on the reserve components as an operational force, however, is something entirely new, unforeseen, and unplanned.

For generations, the reserve components have mobilized in times of crisis to significantly increase the size of our military, have actively participated in war, and have returned home at the end of the conflict. The armed forces thus have always depended on the Guard and Reserves—even when they

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1 Data on reserve component contribution provided by the Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA), March 7, 2007.

2 Representative Ike Skelton, prepared statement before the CNGR, Hearing on Roles and Missions, March 8, 2006 ([www.cngr.gov/hearing308-9/Skelton.pdf](http://www.cngr.gov/hearing308-9/Skelton.pdf)), p. 2.



have been used strictly as a strategic reserve. As one historian has noted, “There has never been a moment in the history of the United States when responsible leaders assumed that the professional military forces, existing in peacetime, would be able to wage war unassisted.”<sup>3</sup> (See Appendix 5, “History of the Reserve Forces,” for a full discussion of National Guard and Reserve history.)

The underlying structures and organization of the strategic reserve were established in the Armed Forces Reserve Act of 1952. This legislation sought to correct many of the institutional deficiencies perceived in the Korean War mobilization of reservists and to ensure that a portion of the reserve force was always ready to be called on. The act recast the organizational structure of the reserve components and established the statutory underpinnings for the current reserve system. It set up the seven reserve components within the military departments, and required that members of these components be placed in one of three categories: the Ready Reserve, the Standby Reserve, or the Retired Reserve.<sup>4</sup>

A second milestone on the way to an operational reserve was the elimination of the draft following the Vietnam War, and the creation of the all-volunteer force. In rejecting the Vietnam-era paradigm, Congress and the Nixon administration ensured that in future conflicts reservists would be the first force called up when there was a need to supplement active duty volunteers; resorting to conscripts would require congressional authorization—a measure not taken since Vietnam.

Another development that helped lay the groundwork for current reserve use was the memorandum of August 1970 in which Defense Secretary Melvin Laird outlined the military’s Total Force Policy. This policy, which was further developed by Defense Secretary James Schlesinger, sought to achieve a proper mix of active, Guard, and reserve assets to optimize the military’s ability to respond to future threats.<sup>5</sup>

Throughout the 1980s, the National Guard and Reserves remained a strategic force in reserve. They were resourced in keeping with a framework of “tiered readiness,” according to which reservists were funded, equipped, and trained to a lesser readiness level than their active duty counterparts. Their role was to augment the active duty forces, who would be the first to deploy in theater.<sup>6</sup> Plans called for them to receive additional training prior to their deployment to accomplish that mission. That approach began to change in 1990–91, when the involuntary reserve call-up for Operations Desert Shield and Desert Storm affected 238,729 reservists. Additional involuntary activations continued throughout the 1990s and into the new century.<sup>7</sup>

After the Cold War ended, the active force was significantly downsized as part of the so-called peace dividend; as a result, the country became more dependent on the capabilities placed within the reserve components. General Colin Powell, then Chairman of the Joint Chiefs of Staff, described this situation as the creation of a “base force”—a force of minimal size whose flexibility made it capable of meeting a wide array of threats.<sup>8</sup> As the United States shrank its forces, active duty end strength dropped to 1.4 million, and the total number of service members in the Selected Reserve—the so-called drilling reservists within the Ready Reserve, who are deemed “so essential to initial wartime

3 John K. Mahon, *History of the Militia and the National Guard* (New York: Macmillan, 1983), p. 260.

4 Public Law 82-476 (66 Stat. 481–509), July 9, 1952.

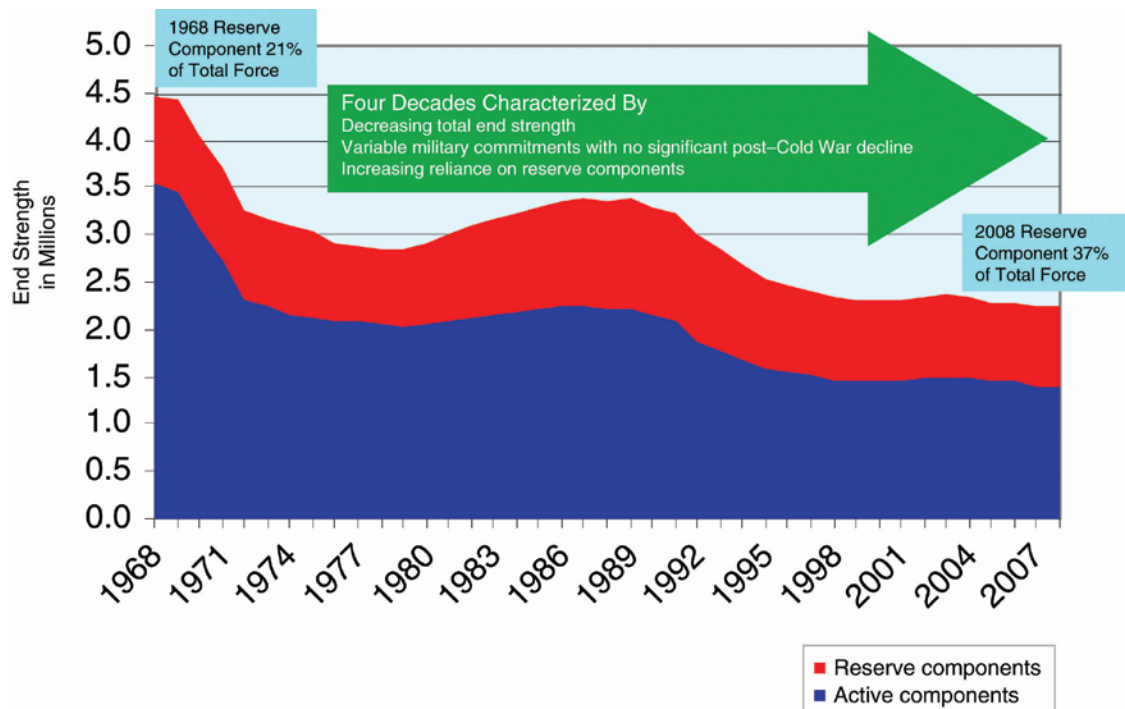
5 Daniel Gladman, *Total Force Policy and the Fighter Force* (Maxwell Air Force Base, AL: Air University Press, 2001), pp. 13–14.

6 *Evaluation of Support Provided to Mobilized Army National Guard and US Army Reserve Units* ([Washington, DC: Department of Defense, Office of the Inspector General], 2005), p. 2.

7 Lawrence Kapp, “Reserve Component Personnel Issues: Questions and Answers,” CRS Report RL30802 (updated January 26, 2007), pp. 8–9.

8 Bernard Rostker, *I Want You! The Evolution of the All-Volunteer Force* (Santa Monica, CA: Rand, 2006), pp. 654–55.

missions that they have priority over all other Reserves”<sup>9</sup>—fell from just over a million in 1983 to over 800,000 in 2008, representing 37 percent of the total force today (see Figure I.1). Because this overall drawdown was not accompanied by a corresponding reduction in military obligations, the services were forced to rely more heavily on the reserve components, which in the 1990s were deployed alongside the active duty military in Haiti, the Balkans, and other theaters. As it had done early in its history, America decided against placing all of its military strength in a large, full-time professional force, choosing instead to depend substantially on its national guardsmen and reservists.



Sources: Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2008*, March 2007, pp. 212–13; reserve component end strength, e-mail from OASD-RA, September 20, 2007.

**Figure I.1. U.S. Military Manpower, 1968–2008**

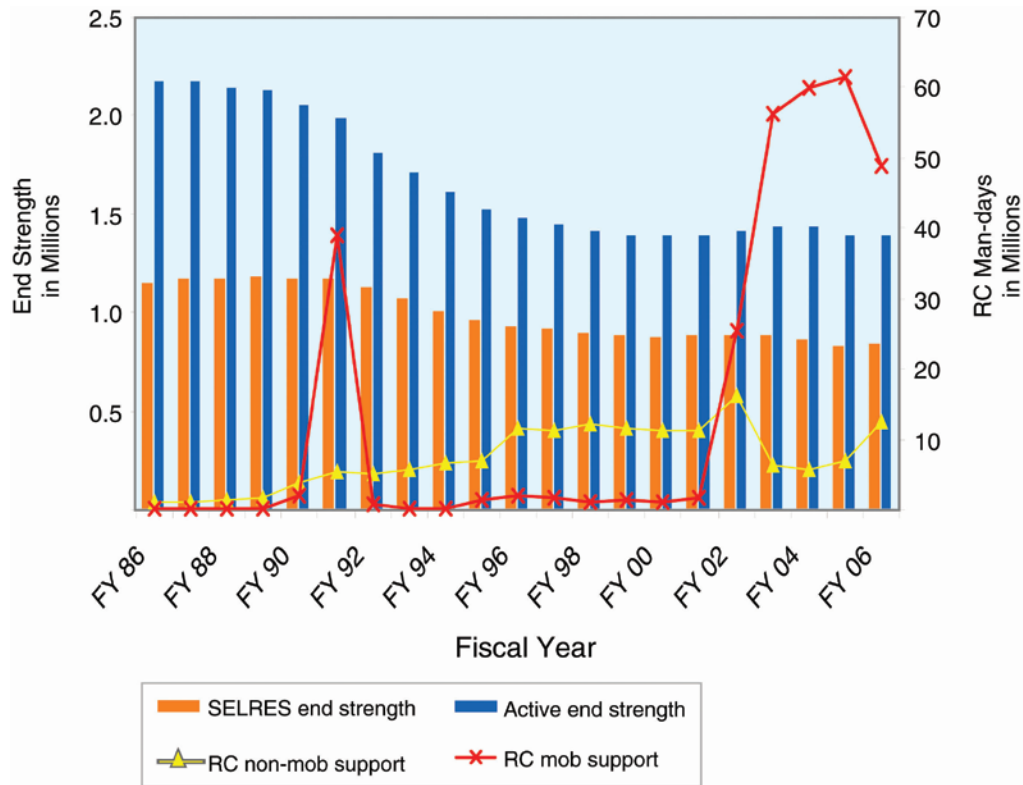
Since September 2001, almost 600,000 Selected Reservists have served in support of operations in the global war on terror, representing more than 40 percent of the approximately 1.4 million members of the Selected Reserve during that period.<sup>10</sup> Reserve component personnel use has increased from 12.7 million man-days in fiscal year 2001 to 61.3 million man-days in FY 2006 (a total that includes both non-mobilization and mobilization support; see Figure I.2). Since 2003, all 34 National Guard Combat Brigades, or elements of them, have been employed in the wars in Iraq and Afghanistan; of those, five now have been alerted for their second tour in those operations.<sup>11</sup> Reservists have been

<sup>9</sup> Joint Chiefs of Staff, “Department of Defense Dictionary of Military and Associated Terms,” Joint Publication 1-02, as amended through October 17, 2007, s.v. “Selected Reserve.”

<sup>10</sup> Data provided by Dan Kohner, Director, Manpower Requirements and Programs (OASD-RA), in an e-mail, November 8, 2007.

<sup>11</sup> Joint Chiefs of Staff, e-mail to CNGR staff, December 17, 2007.

mobilized more than 597,000 times since September 11, 2001;<sup>12</sup> in addition, thousands of reserve component members have volunteered for extended periods of active duty service. Examples of reserve component support beyond these mobilizations include counter-drug operations, exercises, combatant command augmentation, and service augmentation.



Sources: Active component end strength, e-mail from OUSD(P&R), September 18, 2007; reserve component end strength, e-mail from OASD-RA, September 20, 2007; reserve component operational support, e-mail from OASD-RA, March 7, 2007.

**Figure I.2. End Strength and Reserve Component Operational Support, FY 1986–FY 2006**

The National Guard and Reserves also have been increasingly involved in missions in the homeland. For example, the National Guard, acting in state or Title 32 status, represented approximately 50,000 of the 72,000 troops that deployed in response to Hurricane Katrina.<sup>13</sup>

**Finding:** Through most of the 1990s, the end strengths of the active and reserve components were reduced, and the reserve components made a considerably larger contribution to the overall DOD effort.

A significant shift in how the nation historically conceived of and used its reserves occurred during this time. This shift—away from a force primarily designed for infrequent federal use against a large nation-state and toward a better manned, trained, and equipped force that is more interdependent with the active duty military, employed in predictable cyclical rotations overseas, and more ready and

12 Data provided by Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA), “Reserve Force Mobilization Statistics,” September 30, 2007.

13 Senate Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina: A Nation Still Unprepared*, 109th Cong., 2nd sess., May 2006, p. 476.

more able to respond quickly at home—was an unplanned and unprecedented change of enormous scope.

The notion of an operational reserve occurred almost by default, in response to current and projected needs for forces greater than were available from the active component. DOD has taken several years to define an operational reserve,<sup>14</sup> and the definition it has drafted offers little guidance to policymakers. Because the nation backed into this major decision, the needs of the reserve forces were not considered; nor were consequences of the change—such as the impact on reserve readiness, and the strain on individual reservists as well as their families and employers—taken into account. As discussed below, these consequences are and should be of great concern to the nation, and must be addressed. There is a larger question, however: do we need to keep using the reserves in this manner?

## B. THE NECESSITY FOR AN OPERATIONAL RESERVE

The nation has evolved toward using the reserve components of the United States military as part of an operational force. This force has been used with much greater frequency than ever before in operations abroad, and is increasingly relied on to respond to emergencies in the homeland. The question is, will the nation need to rely on the reserve components to be part of an operational force for missions at home and abroad in the foreseeable future? For the reasons presented below, we conclude that the reserve components will play a growing role as an operational force for many years to come. We also conclude that the reserve components are a great value for the taxpayer, and are well worth further investment to secure our nation's future. In this section, we discuss the factors that lead us to these conclusions.

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"The roles and missions of the National Guard and Reserve are fundamental to the historic challenge we face to preserve our freedom against the world-wide threat of terrorism."

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### The New Security Environment

The future roles and missions of the reserve components will be determined by national security requirements, the strategic threat environment, and the resources that we as a nation can devote to meeting those threats. The 2005 National Defense Strategy outlined our nation's security requirements as (1) a United States secure from direct attack, (2) "strategic access and . . . global freedom of action," (3) strong "alliances and partnerships," and (4) "favorable security conditions."<sup>15</sup> While these requirements may seem self-evident, they are the underpinnings of our national defense posture. How the military meets these requirements in the face of a changing security environment and with limited resources is a challenge that involves the full commitment of the federal government, including the reserve components. As Senator John Warner testified before the Commission, "The roles and missions of the National Guard and Reserve are fundamental to the historic challenge we face

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14 "The total Reserve component structure which operates across the continuum of military missions performing both strategic and operational roles in peacetime, wartime, contingency, domestic emergencies and homeland defense operations. As such, the Services organize resource, equip, train, and utilize their Guard and Reserve components to support mission requirements to the same standards as their active components. Each Service's force generation plan prepares both units and individuals to participate in missions, across the full spectrum of military operations, in a cycle or periodic manner that provides predictability for the combatant commands, the Services, Service members, their families, and civilian employers" (Joint Staff, "Operational Reserve Definition," draft, October 15, 2007).

15 *National Defense Strategy of the United States of America* ([Washington, DC: Department of Defense], 2005), pp. 6–7.



Representatives Skelton and Taylor  
at March 2006 hearing.

to preserve our freedom against the world-wide threat of terrorism—while simultaneously maintaining our military as the world’s preeminent fighting force.”<sup>16</sup>

Although the nation’s national security objectives are enduring, what is required to achieve these objectives changes according to the nature of the threats arrayed against the United States and according to the military’s efforts to shape the strategic environment with the resources and capabilities at hand. Challenges presented in today’s strategic environment are radically different than those that faced previous generations, as are the resources and capabilities our nation has to overcome these new challenges.

We are now engaged in the longest war in U.S. history fought with an all-volunteer force: while the United States military is the second-largest military force in the world today, it constitutes the smallest wartime

percentage of our population ever assembled for combat. The U.S. military stands ready to meet these challenges, albeit with a much smaller force than was used to win the previous global conflict, and as one component in an overall strategy whose success will require capabilities from all sectors of our government.

In far-flung places, the U.S. military is engaged in “[p]reventing hostile state and non-state actors from acquiring or using WMD [weapons of mass destruction]” and in “[s]haping the choices of countries at strategic crossroads.”<sup>17</sup> These missions are conducted through undertakings such as counterinsurgency operations, peacekeeping, nation building, joint military exercises, and state-to-state partnership programs. As the war on terror continues, the United States remains committed to presenting its military force globally in order to gain its enduring national security objectives: “a secure homeland, a healthy global economy, and a benign international environment.”<sup>18</sup>

At the same time, the nation also has been awakened to the threat to the homeland from natural and man-made hazards. Securing our nation’s airports after 9/11, responding to the devastation caused by Hurricanes Katrina and Rita, and fighting the San Diego forest fires are just three recent efforts that overwhelmed the abilities of civilian first responders. George W. Foresman, the Department of Homeland Security’s Under Secretary for Preparedness, testified before the Commission: “The nature of the asymmetric threat in the 21st century means that we need to have a better capability for protection and prevention missions here at home, missions that can be carried out by the National Guard in support of the civilian community.”<sup>19</sup>

While keenly aware of these present challenges, the Commission does not presume to know how the strategic environment at home and abroad will evolve. In fact, this strategic uncertainty is a defin-

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16 Senator John Warner, prepared statement before the CNGR, March 8, 2006 (available at [www.cngr.gov/public-hearings-events-March06.asp](http://www.cngr.gov/public-hearings-events-March06.asp)), p. 4.

17 *Quadrennial Defense Review Report* ([Washington, DC: Department of Defense], 2006), p. 3.

18 *Forging a World of Liberty Under Law: U.S. National Security in the 21st Century: Final Report of the Princeton Project on National Security* ([Princeton, NJ: Woodrow Wilson School of Public and International Affairs, Princeton University], 2006), p. 14.

19 Under Secretary Foresman, prepared witness statement before the CNGR, Hearing on Proposed Changes to the National Guard, December 13, 2006 ([www.cngr.gov/hearing121314/13DecForesmanCNGRTestimonyFINAL%5B1%5D.pdf](http://www.cngr.gov/hearing121314/13DecForesmanCNGRTestimonyFINAL%5B1%5D.pdf)), p. 3.



ing attribute of the current threat environment. The Commission heard convincing testimony from the Assistant Secretary of the Navy for Manpower and Reserve Affairs, who asserted that we have entered into a “‘post-modern’ era, characterized by three things:

- 1) *Asymmetric Threats*—IEDs controlled by garage door openers and cell phones; airliners used as manned cruise missiles;
- 2) *Insurgencies*—Violent offensives waged by enemies with small foot prints;
- 3) *The Prolonged Engagement*—This is the ‘long war’; perhaps as the Joint Staff has speculated, a 200-year war; and, a war with non-state actors[.]”<sup>20</sup>

This description speaks to a strategic environment that is volatile, uncertain, complex, and ambiguous. Traditional threats posed by nation-state actors remain, but new strategic dangers have arisen as well.

In recent years Congress has responded to this strategic uncertainty by authorizing numerous reports to discern the threats to our national security. It is these reports, and the testimony provided during our hearings, that shape our understanding of the strategic environment the reserve components will likely encounter in the future. The United States Commission on National Security in the 21st Century stated in 1999 that “[w]e should expect conflicts in which adversaries, because of cultural affinities different from our own, will resort to forms and levels of violence shocking to our sensibilities.” That commission outlined a future threat environment in which “America will become increasingly vulnerable to hostile attack on our homeland, and our military superiority will not entirely protect us.”<sup>21</sup> In its December 15, 2000, report, the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction also outlined a stark new operating environment for the reserve components. Even a small-scale terrorist attack could “accomplish one or more terrorist objectives: exhausting response capabilities, instilling fear, undermining government credibility, or provoking an overreaction by the government.”<sup>22</sup> The 9/11 Commission described the strategic environment as one in which “threats are defined more by the fault lines within societies than by the territorial boundaries between them. From terrorism to global disease or environmental degradation, the challenges have become transnational rather than international. That is the defining quality of world politics in the twenty-first century.”<sup>23</sup>

The Department of Defense acknowledged this shifting strategic environment in the 2006 Quadrennial Defense Review, listing some of the major ongoing changes it perceives:

- From a peacetime tempo—to a wartime sense of urgency.
- From a reasonable predictability—to an era of surprise and uncertainty.
- From single-focused threats—to multiple, complex challenges.
- From nation-state threats—to decentralized network threats from non-state enemies.

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20 Assistant Secretary William A. Navas, Jr., prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform, April 12, 2007 ([www.cngr.gov/hearing411-12/Navas%20CNGR%20testimony.pdf](http://www.cngr.gov/hearing411-12/Navas%20CNGR%20testimony.pdf)), pp. 3, 4.

21 *New World Coming: American Security in the 21st Century: Major Themes and Implications*, The Phase I Report on the Emerging Global Security Environment ([Washington, DC]: United States Commission on National Security/21st Century, 1999), pp. 3, 4.

22 *Second Annual Report of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction: Toward a National Strategy for Combating Terrorism* (Santa Monica, CA: Rand’s National Security Research Division, 2000), pp. 1–2.

23 *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks upon the United States* (New York: Norton, 2004), pp. 361–62.



- From conducting war against nations—to conducting war in countries we are not at war with (safe havens).
- From “one size fits all” deterrence—to tailored deterrence for rogue powers, terrorist networks and near-peer competitors.
- From responding after a crisis starts (reactive)—to preventive actions so problems do not become crises (proactive).<sup>24</sup>

Of particular interest to the Commission are the changes to its own posture that DOD advanced to address this new strategic landscape. They include shifting its emphasis

- From under-resourced, standby forces (hollow units)—to fully-equipped and fully-manned forces (combat ready units). . . .
- From broad-based industrial mobilization—to targeted commercial solutions. . . .
- From vertical structures and processes (stovepipes)—to more transparent, horizontal integration (matrix).
- From moving the user to the data—to moving data to the user.
- From fragmented homeland assistance—to integrated homeland security.<sup>25</sup>

### *Future Threats to National Security*

Taken together, these recent reports, studies, and hearing testimony identify five broad categories of future threats to national security.

1. The proliferation of weapons of mass destruction that constitute a growing threat across the globe, including to the U.S. homeland, and the potential access to such weapons by individuals or terrorist groups who wish to use them indiscriminately on civilian populations.

Despite ongoing international diplomatic efforts to dissuade North Korea from enhancing its nuclear capabilities, it and others hostile to the United States are increasing the danger posed by weapons of mass destruction. The reserve components play a significant role in defending the United States against a missile attack. For example, missile defense units of the Colorado Army National Guard and Alaska Army National Guard, under the operational control of U.S. Northern Command, are designated to man interceptor systems to provide ballistic missile defense.<sup>26</sup>

2. Violent extremists, Islamist and others, who seek to control populations and geographic areas, attack U.S. soil, and harm U.S. interests throughout the world.

The nation faces the prospect of a generations-long conflict as it combats terror networks with a global reach. In this long war against al Qaeda and Islamic extremism, the United States military aims “to defeat violent extremism as a threat to our way of life as a free and open society, and create a global environment inhospitable to violent extremists and all who support them.”<sup>27</sup> This nation has long endured attacks by violent Islamist extremists, from the seizure of the U.S. Embassy in Tehran to the bombings of the Marine Corps barracks in Beirut, Khobar Towers, the USS *Cole*, and the U.S. Embassy in Kenya to the 9/11 terrorist attacks. Our allies have been repeatedly attacked by violent

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24 *Quadrennial Defense Review Report* (2006), p. vi.

25 *Quadrennial Defense Review Report* (2006), pp. vi, vii.

26 Admiral Timothy J. Keating, USN, Commander, North American Aerospace Defense Command and Commander, U.S. Northern Command, testimony before the CNGR, Hearing on Homeland Defense/Homeland Security, transcript of May 3, 2006, (morning) hearing ([www.cngr.gov/hearing503-4/0509natguard1.pdf](http://www.cngr.gov/hearing503-4/0509natguard1.pdf)), pp. 5–6.

27 *National Military Strategic Plan for the War on Terrorism* ([Washington, DC: Department of Defense], 2006), p. 5.

Islamist extremists, most recently in Bali, Madrid, and London. The U.S. military is acting globally to prevent the next attack and will require the reserve components' participation in these missions.

In addition, there are a host of other groups and individuals who use terror and violence against the innocent in pursuit of their objectives. There are no fixed battle lines or secure areas in the global war on terror. Across the country, guardsmen protect critical infrastructure, provide air patrols, and are prepared to respond to threats such as a terrorist attack using a weapon of mass destruction. An open society is the bedrock of our economic prosperity, yet the same system that encourages the free flow of capital, information, people, and goods to promote a healthy global economy leaves the United States vulnerable to an assault. Although the Department of Defense has recognized this challenge—moving to make homeland defense a high priority after the 9/11 attacks, through initiatives such as the establishment of U.S. Northern Command (NORTHCOM)—it is the National Guard that traditionally provides both homeland defense and support to civil authorities under its Title 10 as well as its Title 32 authorities.<sup>28</sup> That work is crucial, but it is only one part of a shared responsibility. Securing the homeland requires planning and coordination across the full spectrum of federal emergency response capabilities and entails a close working relationship with local first responders.

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“Lessons learned from Katrina . . . demonstrated the need for changes . . . to improve access to the RC in support of disaster relief operations.”

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3. Disasters in the homeland such as pandemic disease, hurricanes, earthquakes, and floods that can harm populations and cause losses that equal or exceed those incurred by war.

Natural disasters can quickly overwhelm civilian response capabilities and require military intervention to save lives and restore communities. The National Guard has a proud history of providing these response capabilities and will continue to be called on to serve under such circumstances. Yet preparing for and responding to man-made or natural disasters at home is a total force responsibility. There is a need to strengthen DOD's capabilities as a whole—a need acknowledged by the 2004 *National Military Strategy*, which states that “joint warfighting requires the integration of our Active and Reserve Components and our civilian work force to create a seamless total force that can meet future challenges.”<sup>29</sup> As Admiral Robert F. Willard testified to the Commission, “Lessons learned from Katrina highlighted the RC's ability to help secure the homeland. It also demonstrated the need for changes to policy and authorities in order to improve access to the RC in support of disaster relief operations.”<sup>30</sup>

In the future, members from all categories of the reserve components may be called on to provide technical assistance and support for missions as well as to respond to national security threats that cannot be deterred militarily, such as attacks on our civilian communication systems or food supply.

As part of its effort to initiate changes to these policies and authorities, Congress tasked the Commission to address 17 provisions of the National Defense Enhancement and National Guard Empowerment Act of 2006. The Commission's March 1 report, *Strengthening America's Defenses in the New Security Environment*, recommended major changes to the institutions of government primarily related to improving their ability to support disaster relief efforts; and Congress has in large measure endorsed the Commission's findings, conclusions, and recommendations on these issues,

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28 See Chapter II for a full discussion of homeland defense and civil support.

29 *The National Military Strategy of the United States of America* ([Washington, DC: Joint Chiefs of Staff], 2004), p. iv.

30 Admiral Willard, USN, Vice Chief of Naval Operations, prepared witness statement before the CNGR, Hearing on Roles and Missions, March 9, 2006 (available at [www.cngr.gov/public-hearings-events-March06.asp](http://www.cngr.gov/public-hearings-events-March06.asp)), p. 7.

through provisions of the National Defense Authorization Act for Fiscal Year 2008 (see Appendix 8 for details on the implementation of the Commission's recommendations). These legislative changes recognize the significant and increasing need to use the National Guard and Reserves as an operational force in the homeland.

4. Failed states; numerous ethnic, tribal, and regional conflicts that can cause humanitarian crises and endanger global stability; and nation-states containing safe havens for uncontrolled forces that threaten us.

The 2006 *National Security Strategy* declares that “[i]t is the policy of the United States to seek and support democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.”<sup>31</sup> Even as many nations have moved toward greater democracy following the end of the Cold War, those countries face the challenge of political instability. The demise of the Soviet Union dramatically changed the power relations over vast portions of the globe. Nations that are in transition to democracy and regions that are, in effect, ungoverned are at risk of becoming new threats by harboring stateless enemies, falling back under the rule of tyrannical enemies of freedom, or fomenting cultural conflicts that can escalate into major regional wars. These nascent, weak, and failing states may look to the United States for assistance. The United States has cooperative security arrangements with many countries, and the National Guard and Reserves have capabilities and strengths in areas such as stability and civil-military operations that can help support these arrangements. Such arrangements facilitate reconciliation and diplomacy to resolve many ethnic conflicts, but military capabilities also have a continuing role to play. Just as the military is currently deployed in the Sinai Peninsula and the Balkans, future global stability missions will require an enduring and most likely growing military presence to improve U.S. standing and influence in these unstable areas.



Comptroller General Walker  
at June 2007 hearing.

5. Traditional nation-state military threats, including the rise of a near-peer competitor.

The United States welcomes the economic development of China and India, but also recognizes that these growing nations will exert increasing political and military influence, particularly in the Asia-Pacific region. As the 2006 Quadrennial Defense Review noted, “Shaping the choices of major and emerging powers requires a balanced approach, one that seeks cooperation but also creates prudent hedges against the possibility that cooperative approaches by themselves may fail to preclude future conflict.”<sup>32</sup> The United States may find itself engaged in the future against a major peer competitor—a confrontation that may require a full mobilization of the nation, including all categories of the reserve components. Such a conflict might also take place in nontraditional arenas, such as through cyber warfare or the militarization of space.

Though the National Guard and Reserves are ready to participate in countering these threats, the list in no way captures all the challenges that lie ahead. The nation must recognize the danger that structuring our military to meet a set of specific trends may hamper its ability to adapt when unfore-

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31 *The National Security Strategy of the United States of America* ([Washington, DC: The White House], 2006), p. 1.

32 *Quadrennial Defense Review Report* (2006), p. 30.

seen new challenges arise. The Department of Defense itself assesses the strategic environment as an era “characterized by uncertainty and surprise.”<sup>33</sup>

This uncertainty regarding future threats reinforces the case for a strong and well-resourced reserve component that provides depth and flexibility to our military and acts as a strategic bulwark against those future challenges not yet identified. As Lieutenant General James J. Lovelace, Jr., Army G-3, stressed to the Commission, “The global threat environment has changed and we must change with it. Our forces must be able to fight under a variety of circumstances, so we have to organize and train to meet the full spectrum of challenges.”<sup>34</sup> The range of threats posed to national security in the current strategic environment and the uncertain outcome of this period of global change point to the need to use the reserve components in the future as an operational force, while preserving their strategic capability to respond to future challenges.

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“Continuing on this unsustainable fiscal path will gradually erode, if not suddenly damage, our economy, our standard of living, and ultimately our national security.”

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### *Future Threats to Fiscal Security*

Another key element of the new security environment is the fiscal challenge confronting the United States. The Comptroller General of the United States, David Walker, sees a grave threat in our nation’s current financial challenges: “Continuing on this unsustainable fiscal path will gradually erode, if not suddenly damage, our economy, our standard of living, and ultimately *our national security*.”<sup>35</sup> In his testimony before our Commission, Comptroller General Walker painted a similarly stark picture of our near-term fiscal outlook: “Today we’re seeing the calm before the storm from a fiscal standpoint. Our deficits are larger than advertised because we’re still spending every dime of the Social Security surplus for the government operating expenses, but we face a tsunami of spending that will reach our shores within the next several years, and we are not well prepared.”<sup>36</sup> The Commission believes that the fiscal storm he describes will force the nation to change its military spending priorities, and, as he has advised, “the nation will be better served if such a process begins sooner rather than later.”<sup>37</sup>

Our nation’s fiscal path is unsustainable. Long-term budget simulations performed by the Government Accountability Office indicate that we face large and growing structural deficits due primarily to known demographic trends and rising health care costs.<sup>38</sup> The military has seen the per capita annual cost of active duty manpower soar from \$95,971 in 2000 to \$126,239 in 2006.<sup>39</sup> Absent policy changes with regard to spending, revenues, or both, the growth in mandatory spending on federal retirement and health entitlements will consume an escalating share of the government’s

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33 *Quadrennial Defense Review Report* (2006), p. vi.

34 Lieutenant General Lovelace, Deputy Chief of Staff, U.S. Army, prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform, April 12, 2007 ([www.cngr.gov/hearing411-12/Lovelace%20CNGR%20testimony.pdf](http://www.cngr.gov/hearing411-12/Lovelace%20CNGR%20testimony.pdf)), p. 4.

35 David M. Walker, Comptroller General of the United States, “21st Century: Addressing Long-Term Fiscal Challenges Must Include a Re-examination of Mandatory Spending,” GAO-06-456 (Testimony: Before Budget Committee, House of Representatives), February 15, 2006, p. 8 (emphasis added).

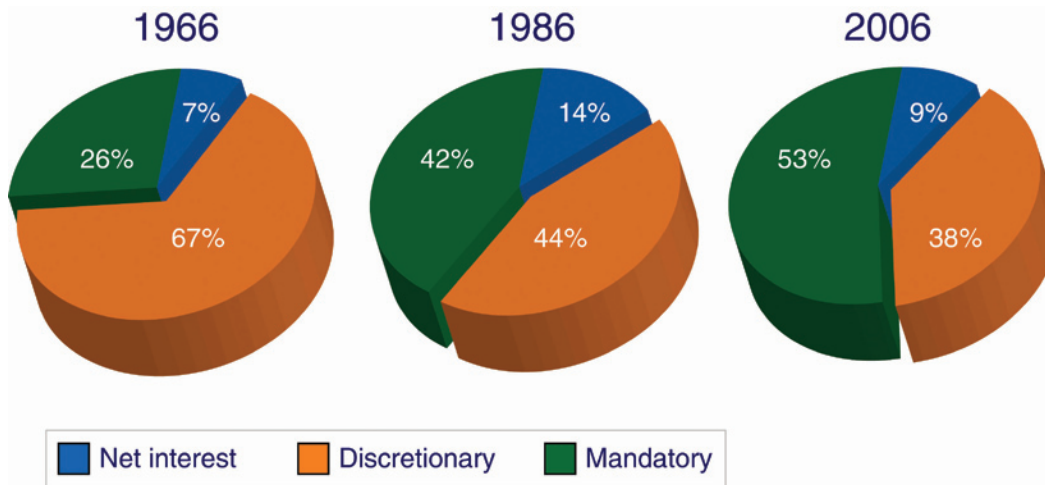
36 The Honorable David M. Walker, Comptroller General of the United States, testimony before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, transcript of June 20, 2007, (first panel) hearing (<http://www.cngr.gov/June%202019-21/0620cngr-panel1.pdf>), p. 4.

37 GAO, “21st Century Challenges: Reexamining the Base of the Federal Government,” GAO-05-325SP, February 2005, p. 90.

38 GAO, “The Nation’s Long-Term Fiscal Outlook: January 2007 Update,” GAO-07-510R, pp. 1–3.

39 GAO, “Military Personnel: DOD Needs to Establish a Strategy and Improve Transparency over Reserve and National Guard Compensation to Manage Significant Growth in Cost,” GAO 07-828 (Report to Congressional Committees), June 2007, p. 41.

resources in coming years. By 2040, according to GAO, “federal revenues may be adequate to pay little more than interest on the federal debt.”<sup>40</sup> The imbalances are so significant that neither slowing discretionary spending growth nor allowing certain tax provisions to expire—nor both together—will eliminate them. If not addressed in the coming years, these fiscal imbalances will lead to serious budgetary pressures on federal discretionary spending, which includes defense accounts. Indeed, the proportion of federal spending available for discretionary spending is already declining. For example, while the share of “federal spending for mandatory programs doubled from 26 percent in 1966 to 53 percent in 2006, the proportion . . . available for discretionary spending . . . decreased from 67 percent to 38 percent in the same period” (see Figure I.3).<sup>41</sup> During this same period, defense spending has declined from 43 percent to 20 percent of the total (see Figure I.4).



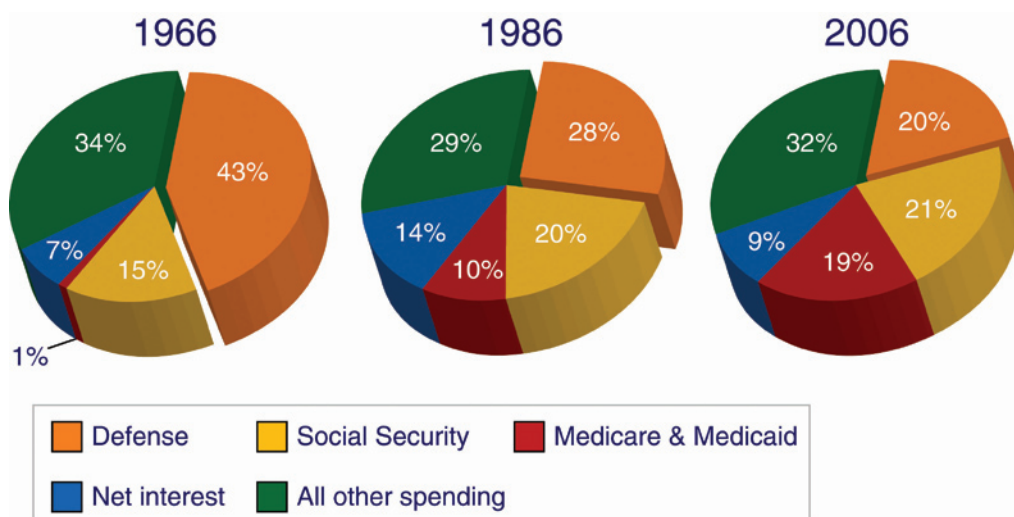
Source: The Honorable David Walker, Comptroller General of the United States, prepared witness statement before the CNGR, Hearing on Impact on Reserve Component Personnel, Compensation Policies, June 21, 2007 ([www.cngr.gov/June%2019-21/Walker%20Statement.pdf](http://www.cngr.gov/June%2019-21/Walker%20Statement.pdf)), figure 2, p. 8.

**Figure I.3. Federal Spending for Mandatory and Discretionary Programs**

40 GAO, “Federal Debt: Answers to Frequently Asked Questions: An Update,” GAO-04-485SP, August 12, 2004, p. 60.

41 The Honorable David M. Walker, Comptroller General of the United States, prepared witness statement before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, June 20, 2007 ([www.cngr.gov/June%2019-21/Walker%20Statement.pdf](http://www.cngr.gov/June%2019-21/Walker%20Statement.pdf)), p. 7.





Source: Comptroller General Walker, prepared statement before the CNGR, June 21, 2007, figure 3, p. 9.

**Figure I.4. Composition of Federal Spending**

These fiscal imbalances and trends in budget allocation highlight the urgent need for DOD to reexamine how it spends the money allocated to it, and to transform itself to adapt to this new security and fiscal environment. The Comptroller General has described the nature of the required transformation: “To successfully transform itself, DOD must overcome cultural resistance to change and the inertia of various organizations, policies, and practices that became well rooted in the Cold War era. Longstanding organizational and budgetary problems need to be addressed, such as the existence of stove-piped or siloed organizations, the involvement of many layers and players involved in decision-making, the allocation of budget allocations on a proportional rather than a strategic basis among the military services, and the use of traditional approaches to basing forces and replacing or enhancing capabilities[.]”<sup>42</sup>

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“To successfully transform itself, DOD must overcome cultural resistance to change . . . that became well rooted in the Cold War era.”

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Of particular concern to both GAO and the Commission are DOD’s personnel outlays, which are “large and growing,” driven “by increases in basic pay, housing allowances, recruitment and retention bonuses, incentive pays and allowances . . . and benefits such as health care, [which continue] to spiral upward.”<sup>43</sup>

### DOD Plans for Continued Reliance on the Reserves

DOD plans entail the continued use of the reserve components as an operational force for the foreseeable future. The Center for Strategic and International Studies, in its report *The Future of the National Guard and Reserves*, finds that “[e]mploying the Reserve Component as part of the operational force is mandatory, not a choice. DOD cannot meet today’s operational require-

<sup>42</sup> GAO, “21st Century Challenges,” p. 19.

<sup>43</sup> GAO, “21st Century Challenges,” p. 21.



ments without drawing significantly on the Reserve Component.”<sup>44</sup> Large portions of the reserve components are being utilized in the ongoing conflicts: the wars in Afghanistan and Iraq and other military operations simply could not be undertaken without the reserves’ contribution to the total operational force. DOD leaders have repeatedly stated their expectation that the National Guard and Reserves will continue to provide a wide range of capabilities that include warfighting, humanitarian assistance, disaster relief, and post-conflict and transitional operations such as democracy building, stability efforts, and peacekeeping.<sup>45</sup>

The Commission believes that this reliance on the reserve components will be enduring. At the Commission’s first hearing in March 2006, Dr. David S. C. Chu, Under Secretary of Defense for Personnel and Readiness, described how “the shift from a strategic reserve . . . to an operational reserve” has taken place gradually since the 1990 involuntary mobilizations for Operations Desert Shield and Desert Storm. He also affirmed that the reserve components, as envisioned in the most recent Quadrennial Defense Review, will become even more operational—specifically, “more accessible and more readily deployable”—in the future.<sup>46</sup>

The Commission recognizes that it is assessing the reserves during a time of increased operational tempo. U.S. national security plans anticipate that the fight against violent Islamist extremism will be a “long war”<sup>47</sup>—and as our analysis of the security environment demonstrates, it would be imprudent for us to assume that the operational tempo of current forces will necessarily diminish and remain lower in the long run. The trend since the first Iraq War has been an ever-increasing reliance on and use of the reserves. The Commission believes that this trend will continue for overseas missions, and, for reasons discussed below, will increasingly emerge for homeland missions as well.

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The trend since the first Iraq War has been an ever-increasing reliance on and use of the reserves.

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## The Cost and Value of the Reserve Components

A key factor in any policymaker’s decision about various options is the return on investment that each provides: in particular, how do they compare in their costs and their benefits? Thus, the Commission has spent considerable time analyzing the cost and value of the reserve components, along with the capabilities they bring to bear in meeting national security interests.

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44 Christine E. Wormuth, Michèle A. Flournoy, Patrick T. Henry, and Clark A. Murdock, *The Future of the National Guard and Reserves: The Beyond Goldwater-Nichols Phase III Report* (Washington, DC: Center for Strategic and International Studies, 2006), p. ix.

45 General Bantz J. Craddock, USA, Commander, US European Command, prepared statement before the House Armed Services Committee, 110th Cong., 1st sess., March 15, 2007, pp. 13, 18, 25; Assistant Secretary Navas, prepared statement, April 12, 2007, pp. 13–14; Lieutenant General Jack W. Bergman, USMCR, Commander, Marine Forces Reserve, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, July 19, 2006 ([www.cngr.gov/July%2019/Bergman%20Testimony.doc](http://www.cngr.gov/July%2019/Bergman%20Testimony.doc)), pp. 12–15; *Quadrennial Defense Review Report* (2006), pp. 76–77; Lieutenant General Roger A. Brady, USAF, Deputy Chief of Staff, Manpower and Personnel, prepared witness statement before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, June 21, 2007 ([www.cngr.gov/June%2019-21/Brady%20Statement.pdf](http://www.cngr.gov/June%2019-21/Brady%20Statement.pdf)), pp. 3, 8.

46 Under Secretary Chu, prepared witness statement before the CNGR, Hearing on Roles and Missions, March 8, 2006 ([www.cngr.gov/hearing308-9/Chu.pdf](http://www.cngr.gov/hearing308-9/Chu.pdf)), pp. 5–6. See *Quadrennial Defense Review Report* (2006), pp. 76–77.

47 E.g., see *Quadrennial Defense Review Report* (2006), esp. pp. 9–18.

*The Cost of the Reserve Components: Existing Models*

Estimates for the relative cost of the reserve components range from 7 percent (the approximate percentage of RC appropriations within the overall DOD appropriation) to 136 percent (the cost of maintaining RC rotational forces and mobilizing the force every six years compared to that of a similar active component unit). These estimates and comparisons can be calculated in several ways.

*Reserve Component Share of the Total DOD Budget.* The simplest method is to compare the major programs for Reserve and National Guard forces to the total DOD budget. Drawing on FY 2006 budget data, the Office of the Assistant Secretary of Defense for Reserve Affairs, or OASD-RA, produced an information briefing that calculated the reserve components' total budget to be "\$32 billion, [or] about 7 percent of the total military budget."<sup>48</sup> According to this method of comparison, the reserve components have historically received between 7 and 9 percent of the DOD total each year.

*Reserve Component Share of Service Budget.* Another method is to determine each reserve component's percentage of its service's total budget. The current breakdown of service budgets by component is as follows:

**Army:** The Army National Guard and Army Reserve get 12 percent and 6 percent respectively of the total Army budget, while the active component receives 66 percent in comparable programs. The remaining 16 percent goes for research, development, testing, and evaluation along with other service-wide programs.

**Navy:** The Navy Reserve and Marine Corps Reserve receive 2 percent and 1 percent respectively of the total Navy budget, while the active component Navy receives 68 percent and the active component Marine Corps receives 13 percent in comparable programs. The remaining 16 percent goes for research, development, testing, and evaluation along with other service-wide programs.

**Air Force:** The Air National Guard and Air Force Reserve get 6 percent and 3 percent respectively of the total Air Force budget, while the active component receives 67 percent in comparable programs. The remaining 24 percent goes for research, development, testing, and evaluation along with other service-wide programs.<sup>49</sup>

*Government Accountability Office Estimate of Total Compensation.* Another approach is to look at the amount of total compensation per service member. A GAO study, released in June 2007, found that when all sources of compensation were added together the total amount for an active duty service member was \$126,239 per year, whereas the total amount for a part-time reserve component service member was \$19,100.<sup>50</sup> Thus, according to GAO, a reserve component service member's total compensation is only 15 percent that of an active duty service member. This calculation does not include the additional costs to mobilize and employ reserve component service members on full-time duty, which are approximately the same as for active duty service members.

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48 Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA) Information Briefing, "Intro to RA FY 2006" ([www.defenselink.mil/ra/documents/IntrotoRAFY06.pdf](http://www.defenselink.mil/ra/documents/IntrotoRAFY06.pdf)), slide 7.

49 All figures from Office of the Under Secretary of Defense (Comptroller), "Defense Budget Materials: FY 2008" (analysis derived from data in summary justification materials): Operation and Maintenance Programs (O-1), Procurement Programs (P-1), Procurement Programs (P-1R) Reserve Components, Military Construction, Family Housing, and Base Realignment and Closure Program (C-1), available at [www.defenselink.mil/comptroller/defbudget/fy2008/index.html](http://www.defenselink.mil/comptroller/defbudget/fy2008/index.html).

50 GAO, "Military Personnel: DOD Needs to Establish a Strategy and Improve Transparency over Reserve and National Guard Compensation to Manage Significant Growth in Cost," pp. 41, 21.

*Amount Budgeted per Service Member in the Personnel and Operations & Maintenance Accounts.* Using a different method than GAO, the Principal Deputy Under Secretary of Defense (Comptroller) provided somewhat different figures to the Commission during our May 2007 hearing, testifying that the “fully burdened” cost for an active component service member is \$119,000, \$35,000 for a Title 10 reserve service member, and \$33,000 for a national guardsman.<sup>51</sup> These amounts were based on budget data from the personnel and the operations and maintenance appropriations. Thus, according to this senior DOD finance official, the costs of national guardsmen and reservists were only 29 percent and 28 percent, respectively, of the cost of an active component service member. Again, this does not include the additional costs to mobilize and employ reserve component service members on full-time duty.

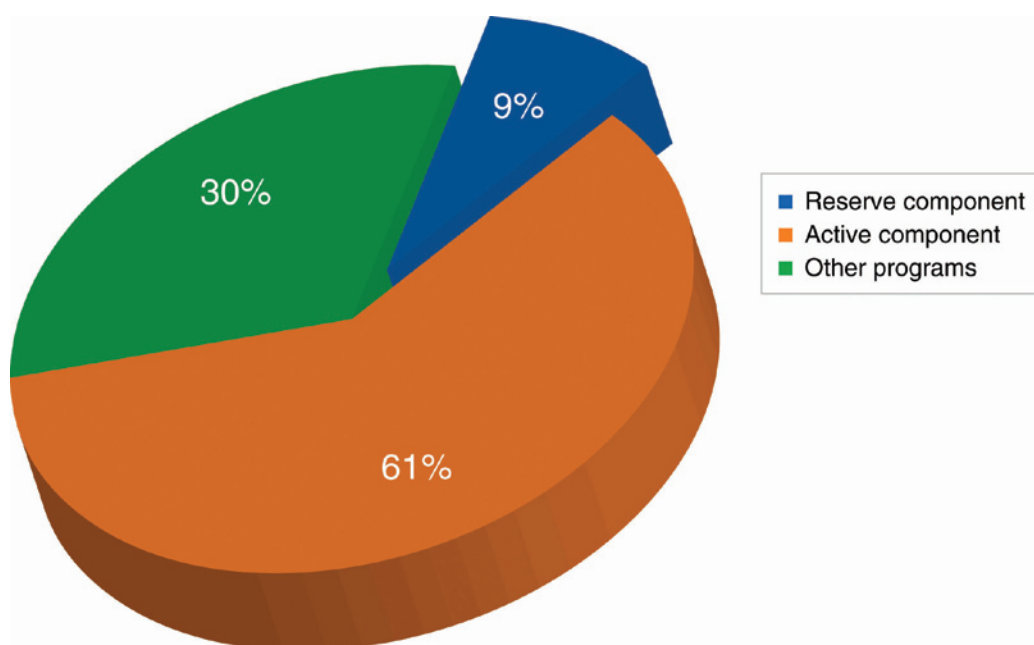
*Rotational Use of Army National Guard Brigade Combat Teams.* The Rand Corporation, in a study performed at the request of OASD-RA and yet to be completed, compared the relative cost of using an Army brigade combat team in the National Guard and a like unit in the active component. The analysts’ model used current Army Force Generation (ARFORGEN) assumptions that active component forces are employed one year out of three (with two years’ training and preparation) and reserve component forces are employed one year out of six (with five years’ training and preparation), with a maximum time of 12 months of total mobilization per rotation. This study found that the costs of a National Guard brigade combat team in comparison to an active duty BCT ranged from 28 percent in peacetime (non-operationally employed) to 136 percent when used in a 1:5 rotation with eight months’ operational employment per rotation.<sup>52</sup> The Commission believes that although this limited study, highly dependent for its outcome on assumptions related to usage, does not offer conclusive evidence on the relative overall costs of the reserve and active components, it does offer insight into how DOD could, and perhaps should, explore rebalancing (discussed in Chapter II) to meet the demands of the new security environment.

*Commission Analysis: Amount Budgeted per Service Member from the Four Main Appropriations.* Each reserve component receives three types of appropriations directly from Congress—Personnel, Operations & Maintenance, and Military Construction. In addition, while reserve component procurement is funded in the services’ active component appropriation, a separate document (the P-1R) provides a detailed plan of which equipment they intend to procure for their reserve components. The Commission compared the funds requested in the President’s FY 2008 budget request for personnel, operations and maintenance, military construction, and equipment for each active and reserve component. Our methodology—the most comprehensive of the various methods—was to compare like-type appropriations of the active and reserve components. These data show that the reserve components will receive approximately 9 percent of the total DOD budget; the active component will receive about 61 percent. The remaining 30 percent goes for service and Defense-wide programs (see Figure I.5).

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51 Dave Patterson, Principal Deputy Under Secretary of Defense (Comptroller), testimony before the CNGR, Hearing on Resourcing and Readiness, transcript of May 16, 2007, hearing ([www.cngr.gov/May%2015-17/0516cngr1.pdf](http://www.cngr.gov/May%2015-17/0516cngr1.pdf)), p. 9.

52 Memorandum for the Record (MFR) of Commission meeting with Jacob Klerman, Rand Corporation, May 16, 2007.



Source: Office of the Under Secretary of Defense (Comptroller), “Defense Budget Materials: FY 2008” (analysis derived from data in summary justification materials): Operation and Maintenance Programs (O-1), Procurement Programs (P-1), Procurement Programs (P-1R) Reserve Components, Military Construction, Family Housing, and Base Realignment and Closure Program (C-1), available at [www.defenselink.mil/comptroller/defbudget/fy2008/index.html](http://www.defenselink.mil/comptroller/defbudget/fy2008/index.html).

**Figure I.5. Breakdown of DOD Presidential Budget Request, FY 2008**

Using these FY 2008 budget requests for dollars and end strengths of the active components and the reserve components, we find that the total amount budgeted is approximately \$51,000 for each reserve component service member and \$223,000 for each active component service member.<sup>53</sup> Thus, according to this calculation, the cost of the reserve components is approximately 23 percent of the amount needed to man, train, equip, and sustain the active component. Further, this estimate recognizes that the Army reserve components will not be equipped with full sets of wartime authorized equipment; instead, they will have training sets of equipment in peacetime and will use theater-specific equipment during operations. (See Chapter IV for a full discussion of reserve equipment issues.)

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... the cost of the reserve components is approximately 23 percent of the amount needed to man, train, equip, and sustain the active component.

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*Summary of Comparison of Costs of the Active and Reserve Components.* The various comparisons of the costs of reserve component and active component forces as previously detailed can be summarized as follows:

- GAO found the share of individual compensation to be 15 percent.
- The Office of the Secretary of Defense (Comptroller) estimated reserve component costs for personnel as well as for operations and maintenance at 28–29 percent of those for the active component.

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53 OUSD (Comptroller), “Defense Budget Materials: FY 2008” (see note 49).

- Rand estimated that costs of an Army National Guard BCT, compared to the costs of an active component BCT, range from 28 percent in peacetime to 136 percent during continuous mobilization.
- CNGR estimated the reserve component costs per service member at 23 percent those of the active component, calculating from active and reserve component appropriations.

**Finding:** An active component service member costs approximately four times as much as a reserve component service member when he or she is not activated. The reserve components provide significant return on investment for the capabilities they bring to the total force.

This significant cost advantage for the reserves will drive policymaking in coming years, when pressure on the forces from current conflicts will have abated. The Commission believes the nation should avoid the kind of shortsighted policy decisions made after past conflicts that left the military ill-prepared for the next conflict, and should instead focus on where the best value for the taxpayer can be achieved in an ever-tightening fiscal environment.

### *The Value of the Reserve Components*

In addition to their capabilities to respond to matters foreign and domestic, reserve component service members bring a value that cannot be measured by dollars and cents alone. None of the studies of reserve component costs attempts to account for how our country profits from maintaining and relying on a pretrained reserve force. These benefits include the reserve components' close ties to their communities, the forward deployment of military first responders throughout the country, civilian-acquired skills that are not readily attainable or maintainable in a full-time military force, the preservation of costly training and experience possessed by service members who are leaving the active component, and the maintenance of a large pool of strategic military capabilities. Each of these topics, which are important factors in the evaluation of the reserves' overall return on investment, is discussed below.



Commissioners with General Pace  
at January 2007 hearing.

### **Ties to Community**

The reserve components consist of more than 1.1 million men and women based in almost 5,000 facilities throughout the United States and the U.S. territories.<sup>54</sup> Rooted in communities, it is a force filled with respected hometown citizens who are also trained military service members, available when needed. The status of “citizen-warrior” creates an important connection between the deployed military and their communities and employers back home, a connection that fosters public support for military members.

Compulsory military service was eliminated in 1973 when the all-volunteer force

was instituted. Since that time, young men have no longer had to face the prospect of involuntary

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54 OASD-RA Information Briefing, “Intro to RA FY 2006,” pp. 7, 10.



military service. Following the post-Vietnam drawdown, the armed forces were further reduced in strength in the 1990s, resulting in a lower percentage of the general population with ties to the military. Some have concluded that there is a divide between the military and the civilian communities in our country.<sup>55</sup> Reserve component service members help bridge this gap by, in essence, planting one foot firmly on each side. The shared values and relationships at work and in places of worship, schools, and neighborhoods create common bonds between the military and civilians. These bonds are our strongest links between our professional military and the civil society that must support it.<sup>56</sup>

There is no doubt that the American people's attitude toward our nation's involvement in foreign wars is inextricably tied to the military service of men and women from their communities. Whether intentionally designed as a "doctrine" or simply a side effect of force structure decisions rooted in the economic and strategic realities of the Cold War and its aftermath, our reliance on the reserve components in prosecuting any major war ensures that all the communities where reservists reside will be affected by national decisions about how they are used.<sup>57</sup>

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"I fully understand that a mobilization affects the lives of thousands of Americans. I mean, after all, we're talking about somebody's mom or somebody's dad, somebody's employee, somebody's friend or somebody's neighbor."

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The close ties to community can work both ways, either garnering support for policies that employ the military while demonstrating our national resolve or acting as a political check on the free use of the military by our government. President George W. Bush, announcing the mobilization of the reserve components in response to the attacks of September 11, 2001, said, "I fully understand that a mobilization affects the lives of thousands of Americans. I mean, after all, we're talking about somebody's mom or somebody's dad, somebody's employee, somebody's friend or somebody's neighbor. But the world will see that the strength of this nation is found in the character and dedication and courage of everyday citizens."<sup>58</sup> Conversely, it is argued, "dependence on Reserve Components serves as an extra-constitutional tripwire on the presidential use of military power."<sup>59</sup>

**Finding:** The reserve components provide our military's most intimate and extensive links to the American people. The value of this linkage, which cannot be discounted, underscores the benefit of investing in and prudently using this increasingly important portion of our military forces.

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55 See Lindsay Cohn, "The Evolution of the Civil-Military Gap Debate," paper prepared for the TISS project on the Gap Between the Military and Civilian Society, 1999, pp. 2–3 ([www.poli.duke.edu/civmil/cohn\\_literature\\_review.pdf](http://www.poli.duke.edu/civmil/cohn_literature_review.pdf)).

56 Albert A. Robbert, William A. Williams, and Cynthia R. Cook, *Principles for Determining the Air Force/Active Reserve Mix*, MR-1091-AF (Santa Monica, CA: Rand, 1999), pp. 13–14.

57 Some contend that after Vietnam, General Creighton Abrams, as Army Chief of Staff, deliberately structured the Army to ensure that National Guard and Army Reserve forces would be mobilized in any future major conflict. See James Jay Carafano, "The Army Reserves and the Abrams Doctrine: Unfulfilled Promise, Uncertain Future," Heritage Lectures no. 869, April 18, 2005, pp. 3–4 ([www.heritage.org/Research/NationalSecurity/upload/77058\\_1.pdf](http://www.heritage.org/Research/NationalSecurity/upload/77058_1.pdf)).

58 "Guard and Reserves 'Define Spirit of America,'" Remarks by the President of the United States to Employees at the Pentagon, September 17, 2001 ([www.whitehouse.gov/news/releases/2001/09/20010917-3.html](http://www.whitehouse.gov/news/releases/2001/09/20010917-3.html)).

59 Carafano, "The Army Reserves and the Abrams Doctrine," p. 3.



### Forward Deployment of Military First Responders in the Homeland

The 1.1 million service members in the National Guard and Reserves can also be thought of as being forward deployed in their thousands of communities across America. These service members are pretrained and ready to respond to an emergency that exceeds the capacity of local government personnel. Because they are based within their communities, they often can respond immediately to help restore security, mitigate suffering, and assist local and state officials in numerous other ways that otherwise might not be available for days. When disaster strikes at home, the first military responders will be national guardsmen and reservists coming to the aid of their friends and neighbors. The value of this linkage cannot be discounted. Examples of occasions when support was required include Hurricanes Andrew, Floyd, and Katrina, the Los Angeles riots, and western forest fires.<sup>60</sup> National Guard and Reserve centers provide communities a shelter and a place to coordinate response efforts. The value of this capability cannot be calculated using traditional budget metrics. In contrast to the nationwide presence of reserve component forces, the nation's active duty military forces are increasingly isolated, interacting less frequently with the civil society they serve. There are fewer active duty military bases, and members of the active component reside in or near this limited number of government facilities.

### Civilian Skills

The reserve component is a community-based force filled with highly skilled members who are also representative of the men and women in their larger communities. The diversity in their ranks and the complementary value of their military and civilian skills, as well as their grassroots connection with localities, add significant value to the nation. Reservists bring to their service their civilian skills, training, and professional experiences that are not easily maintained in the active components.

For instance, when the looting of many of Iraq's antiquities in the aftermath of the U.S. invasion made headlines around the world in 2002, U.S. Central Command was in need of an antiquities expert. It called on a Marine Corps reservist, Colonel Matthew Bagdanos, who in civilian life is an assistant district attorney in Manhattan with an advanced degree in classical studies. He had the unique legal and arts background required to lead the investigation into the looting of the Iraq Museum in Baghdad with a multiagency task force.<sup>61</sup>

To take the example of just one service, Vice Admiral John C. Cotton pointed out that "the Navy has identified 800 civilian skills among reservists that don't exist in the active duty service[.]"<sup>62</sup> Reservists are city planners, power plant operators, waterworks directors, computer specialists, fire chiefs, and police chiefs.<sup>63</sup> Others are "double-board-certified physicians."<sup>64</sup>

Some of the experience about which combatant commanders need to know may include the use of specialized equipment. Lieutenant General Jack Stultz, Chief of the Army Reserve, witnessed a reservist's civilian skills in action on a visit to a hospital unit at Camp Bondsteel in Kosovo when he watched a soldier fix the hospital's malfunctioning magnetic resonance imaging machine. "And I said, 'What do you do for a living, Sergeant?' And he said, 'I'm an engineer for Toshiba Medical. I do this

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60 Examples cited in Lynn E. Davis, David E. Mosher, Richard R. Brennan, Jr., Michael D. Greenberg, K. Scott McMahon, and Charles W. Yost, *Army Forces for Homeland Security*, MG-221-A (Santa Monica, CA: Rand, 2004), p. 4.

61 See "Eclectic Colonel Who Lost Case vs. P. Diddy Hunts Iraqi Treasures," *USAToday.com*, May 18, 2003 ([www.usatoday.com/news/world/iraq/2003-05-17-unusual-marine\\_x.htm](http://www.usatoday.com/news/world/iraq/2003-05-17-unusual-marine_x.htm)).

62 Vice Admiral John C. Cotton, quoted in Harold Kennedy, "At War, Navy Finds New Uses for Reserve Forces," *National Defense Magazine*, September 2004 ([www.nationaldefensemagazine.org/issues/2004/Sep/At\\_War.htm](http://www.nationaldefensemagazine.org/issues/2004/Sep/At_War.htm)).

63 John J. Kruzal, "Army Reserve Now Part of Operational Force, General Says," American Forces Press Service, June 25, 2007.

64 "Word from the Top," Army News Service, June 29, 2006.

for a living,” Lieutenant General Stultz recalled. “That’s the kind of skill sets that you bring.”<sup>65</sup>

Reservists are skill-rich citizen-warriors who can provide an enhanced capability to the military, especially in reconstruction efforts and policing activities. For example, civilian police officers who today report to military duty and deploy bring to the force their extensive civilian training. The experience, training, and maturity possessed by police officers serving in combat are especially valuable in counterinsurgency operations and asymmetric warfare. This point was forcefully displayed in testimony given to the Commission by a Marine Reserve battalion commander who applied his experience as a state trooper to achieve great success against an asymmetric enemy in the area of Iraq dubbed the triangle of death.<sup>66</sup>

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Reservists are skill-rich citizen-warriors who can provide an enhanced capability to the military.

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The current doctrine for the role of the reserve components, as articulated in *Review of Reserve Component Contributions to National Defense* by OASD-RA, identifies specialized civilian skills as one of the three “reserve component core competencies” and suggests ways to incorporate them into the fabric of the military. One method of doing so is to report civilian occupational skills and collect them in a civilian employment information database (discussed in Chapter III).<sup>67</sup> However, the services have not gone beyond investing in the collection, maintenance, and reporting of information about civilian skills to also gather information on experience. *Experience* in this sense extends beyond the scope of skill identification, duty assignments, or certifications and includes information commonly found on résumés. Unfortunately, the military, despite acknowledging that civilian skills are a reserve component core competency, has done little to take advantage of those skills.

The blend of military and civilian skills possessed by reservists can be valuable not just to the Department of Defense but to other government agencies in their overseas missions, especially in reconstruction efforts and policing activities. The authority for federal agencies to order and pay for goods and services from other federal agencies is provided by the Economy Act,<sup>68</sup> which sets the conditions for agreements between agencies and requires that the supported agency fully fund the costs associated with the service. Department of Defense Instruction 4000.19, “Interservice and Intragovernmental Support,” sets the policy and procedures used by the military services in establishing agreements to provide support.<sup>69</sup>

**Finding:** Members of the reserve components have a wealth of civilian skills valuable for missions at home and abroad, including for military support to other federal agencies.

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65 Lieutenant General Stultz, quoted in Kruzel, “Army Reserve Now Part of Operational Force, General Says.”

66 Lieutenant Colonel Mark Smith, USMCR, testimony before the CNGR, Hearing on National Guard and Reserve Issues, transcript of September 21, 2006, hearing ([www.cngr.gov/hearing918-21/transcript4.pdf](http://www.cngr.gov/hearing918-21/transcript4.pdf)), pp. 11–14. Lieutenant Colonel Smith noted, “By the time we left, the world knew our zone as the triangle of death and does to this day. I would point out for any media members that were here, it was called the triangle of death for the impact we were having on the enemy, not the other way around which is the way it’s constantly reported. So there is my contribution to the information operations war” (p. 13).

67 *Review of Reserve Component Contributions to National Defense*, directed by the 2001 Quadrennial Defense Review ([Washington, DC: Office of the Assistant Secretary of Defense for Reserve Affairs], 2002), pp. 12–13, 31–33.

68 31 U.S.C. §§1535, 1536.

69 Department of Defense Instruction 4000.19, “Interservice and Intragovernmental Support,” August 9, 1995.

### The Preservation of Military Skills

Recruiting and training personnel for the myriad skills required in a modern military force are very costly endeavors. DOD's planned expenditures for training and education in fiscal year 2008 exceed \$8.5 billion.<sup>70</sup> Annual training expenses are invested in service members who, after a relatively short period (two to six years), are free to leave the service; and when they do, their precious and perishable skills wither away. As the cost of military manpower continues to rise, so too does the urgency of improving our ability to retain access to these critical skills.

If individuals can be encouraged to remain in the military as reserve component service members while pursuing their civilian ambitions, then the skills and experience gained when they were on active duty can be maintained at a fraction of the cost of recruiting and training new service members. In times of war or national emergency, when requirements expand, these experienced personnel can undergo intensive training and quickly return to full proficiency. (For a discussion of how the reserve component categories should be altered to better capture these talents, see Chapter VI.)

**Finding:** The value of the reserve components as a repository of military skills and experience that would otherwise be lost is not easily quantified, but it is significant.

### Strategic Military Capabilities

Maintaining a strategic military force furnishes this country with an insurance policy that offers protection against unexpected events. Immediately after September 11, 2001, National Guard forces deployed to airports throughout the country to provide additional security to our air transportation system and thereby reassure Americans that flying was safe. Reserve and National Guard forces soon found themselves on the front lines of Operations Enduring Freedom and Iraqi Freedom, and remain there today.<sup>71</sup> Reserve component general officers serve today in sensitive assignments in Pakistan and the Balkans.<sup>72</sup> The reserve components are a valuable resource—a supply of pretrained military manpower that is ready for domestic emergencies and, sometimes with relatively little additional training, for overseas operations as well. In many ways, the men and women in the reserve components have saved our nation from reinstituting a draft.

This strategic military capability was battle-tested in 1991 in Operation Desert Storm and has been used extensively in Bosnia, Kosovo, Sinai, Operations Northern and Southern Watch, and the current military operations in Iraq and Afghanistan. Reserve component participation in these missions offers valuable operational capability, provides experience for the service members, helps improve total force integration (and thereby reduces cultural differences between active and reserve component forces, as discussed in Chapter VI), gives the national command authority greater flexibility to conduct missions, and, in general, better enables our military to respond to the unexpected.

In summary, the reserve components are a cost-effective force. They are this nation's insurance policy against unexpected events, provide a daily connection between the military and their civilian communities, constitute a significant pool of pretrained manpower, and are well-suited for a leading role in homeland response activities. Their value to the nation cannot be overstated. In light of these factors, the Commission believes that before following through on plans (discussed below) to significantly

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70 OUSD (Comptroller), in "Defense Budget Materials: FY 2008," *Operations and Maintenance Overview: Fiscal Year (FY) 2008 Budget Estimates*, February 2007, p. 139.

71 Paul McHale, Assistant Secretary of Defense for Homeland Defense, prepared witness statement before the CNGR, Hearing on Homeland Security/Homeland Defense, May 3, 2006 ([www.cngr.gov/hearing503-4/McHale.pdf](http://www.cngr.gov/hearing503-4/McHale.pdf)), p. 2; Lieutenant General H Steven Blum, Chief, National Guard Bureau, prepared witness statement before the CNGR, Hearing on Homeland Security/Homeland Defense, May 3, 2006 ([www.cngr.gov/hearing503-4/Blum.pdf](http://www.cngr.gov/hearing503-4/Blum.pdf)), pp. 2–4.

72 DOD News Releases No. 267-06, "General Officer Assignments," April 3, 2006; No. 895-06, "General Officer Assignments," September 12, 2006.

enlarge the active force, the nation must carefully consider whether investing more in the reserves might be the better long-term choice. The security threats we face as a nation, including the very real fiscal threats eloquently articulated by the Comptroller General, make necessary a continued reliance on the reserve components, as part of an operational force, for the foreseeable future.

## C. THE CHALLENGE OF SUSTAINING THE RESERVES AS AN OPERATIONAL FORCE WITHIN A COLD WAR FRAMEWORK

The fact that the reserve components are currently being used operationally does not make them a sustainable operational force. The reserve components were not established to be employed on a rotational basis, and their high operational tempo is leading to growing difficulties. The key indicators that signal the overall posture and health of the force—such as manpower levels, recruiting costs, frequency of mobilizations, propensity to join the military, and adequacy of full-time support, readiness, and equipment—are gravely troubling. As we pointed out in our March 1 report, “the current posture and utilization of the National Guard and Reserve as an ‘operational reserve’ is not sustainable over time, and if not corrected with significant changes to law and policy, the reserve component’s ability to serve our nation will diminish.”<sup>73</sup>

Current DOD policies reflect past use of the reserve component as a later-deploying force rather than as a reserve designed for rotational use in overseas deployments. Because they were not developed within the context of today’s overall strategic framework, these policies have undergone numerous adjustments to increase the availability of the reserve components so that ongoing needs can be met. Such piecemeal policy changes are focused on the short-term requirements of the services rather than on long-term requirements and predictability for the force. They do not set the reserve components upon a fiscally sustainable path. They also leave reserve component members uncertain about the likelihood of their mobilization, the length of their service commitments, the length of their overseas rotations, and the types of missions that they may be asked to perform. These uncertainties affect recruiting, retention, and the lasting viability of the reserve components.

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The fact that the reserve components are currently being used operationally does not make them a sustainable operational force.

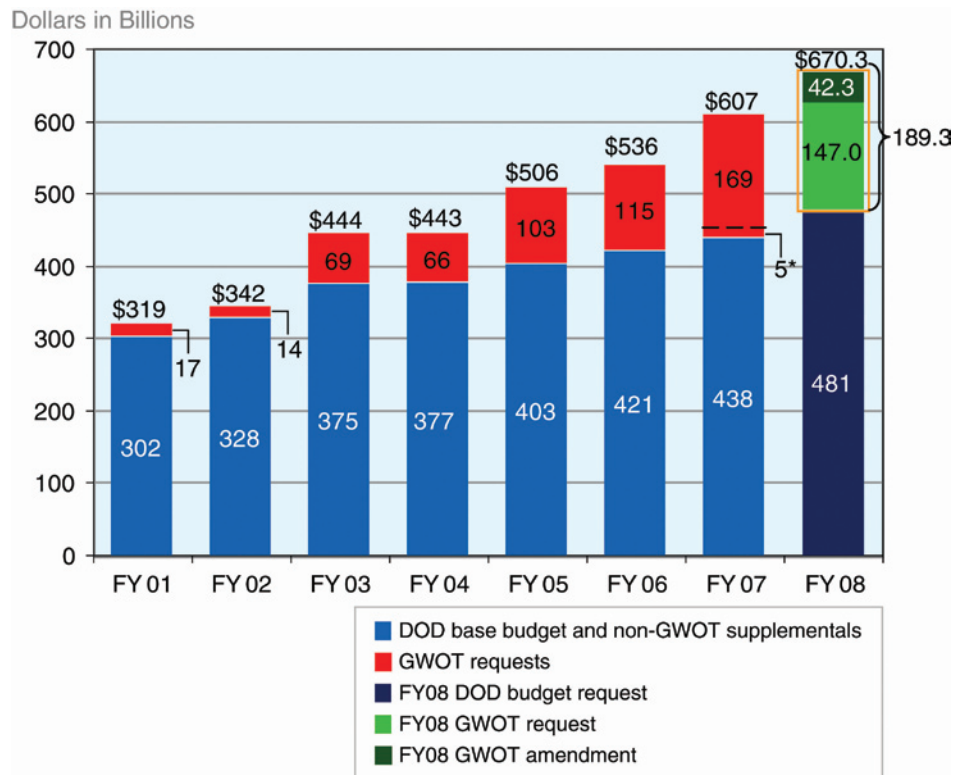
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### Funding

DOD is simultaneously bearing the expenses of the global war on terror, undergoing weapons modernization, addressing military pay and benefits (including medical care for both the active and reserve force), and transforming the force from a Cold War military to a lighter and more flexible expeditionary force. DOD’s budget (adjusted to FY 2008 dollars) has ranged from a low of \$319 billion to a high of \$670 billion between 2001 and 2008, excluding supplemental funding (see Figure I.6).

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73 *Strengthening America’s Defenses in the New Security Environment*, Second Report to Congress, March 1, 2007 ([Arlington, VA: Commission on the National Guard and Reserves], 2007), p. x.

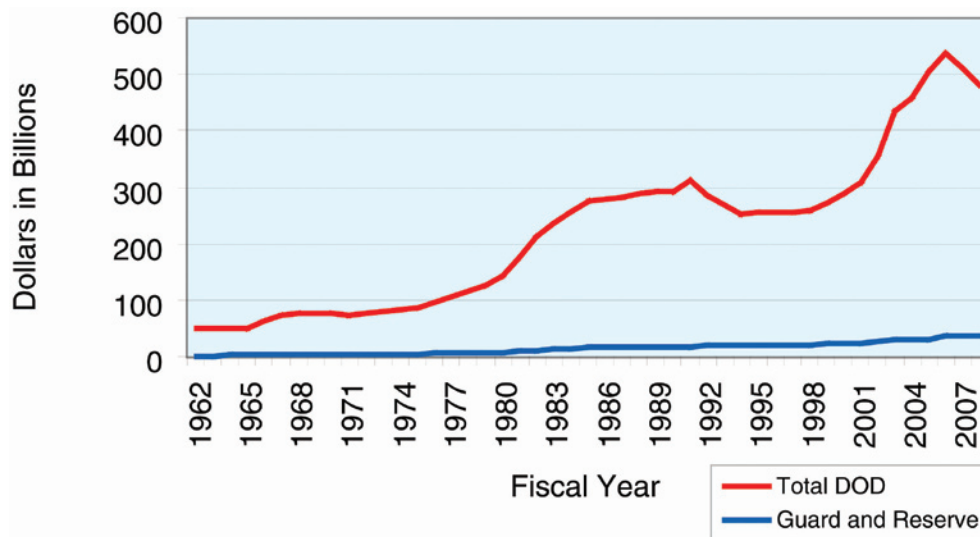


Source: Office of the Under Secretary of Defense (Comptroller), "Defense Budget Materials, FY 2008," "Global War on Terror Funding: Department of Defense FY 2008 Global War on Terror Amendment," October 2007, p. 1.

**Figure I.6. DOD Base Budget and GWOT Appropriations and Requests**

To put these amounts into historical perspective, the DOD base budget has risen from \$48.4 billion in 1962 to a high of \$536 billion in 2006 (see Figure I.7). Adjusted to FY 2008 dollars, total DOD spending has increased more than 41 percent. During this same period, spending allotted for the National Guard and Reserves has not kept pace with the large increases in operational commitments (compare Figure I.2).





Source: Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2008*, March 2007.

**Figure I.7. Guard and Reserve Funding Compared to Total DOD Funding, 1962–2007**

Current Army plans call for activation one year out of every five or six years, and the other services are developing similar models. In addition, the National Guard has a commitment to the nation's governors to have 50 percent of a state's National Guard forces available to them for state emergencies.<sup>74</sup> Adequate funding, critical to the full implementation of these plans, is still not in DOD's budget. (See Chapter IV for a full discussion of the reforms that the Commission believes are necessary to create a ready, capable, and available reserve force.)

Reserve component leaders have agreed that they are currently inadequately funded for the levels of operational use identified by service and DOD plans.<sup>75</sup> Numerous reports indicate a serious problem of funding shortages—particularly in the Army, which has provided most of the personnel and equipment in Iraq.<sup>76</sup> In May 2007, the force program directors of all services briefed the Commission on the current and future situation. In particular, the Army and Air Force told of the funding short-

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Reserve component leaders have agreed that they are currently inadequately funded for the levels of operational use identified by service and DOD plans.

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74 Major General Terry L. Scherling, Director, National Guard Bureau Joint Staff, prepared statement before the House Committee on Oversight and Government Reform, Hearing on FEMA Preparedness in 2007, 110th Cong., 1st sess., July 31, 2007, pp. 3–4.

75 Questions for the Record (QFR), the Honorable William A. Navas, Jr., Assistant Secretary for Manpower and Reserve Affairs, answers submitted to the CNGR June 29, 2007; Lieutenant General John Bradley, Chief, U.S. Air Force Reserve, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, July 19, 2006 ([www.cngr.gov/July%2019/Bradley%20Testimony.doc](http://www.cngr.gov/July%2019/Bradley%20Testimony.doc)), pp. 19–20; Lieutenant General Blum, prepared statement, May 3, 2006, p. 4.

76 GAO, "Reserve Forces: An Integrated Plan Is Needed to Address Army Reserve Personnel and Equipment Shortages," GAO-05-660 (Report to Congressional Committees), July 2005, p. 1; GAO, "Reserve Forces: Actions Needed to Better Prepare the National Guard for Future Overseas and Domestic Missions," GAO-05-21 (Report to the Chairman, Committee on Government Reform), November 2004, p. 1.



ages they face throughout their active and reserve force.<sup>77</sup> When questioned at our June 2006 hearing, most of the current reserve component Chiefs agreed that they are not adequately funded for the levels of operational use now envisioned for the reserve components by service and DOD plans.<sup>78</sup> In June 2007, the services' Assistant Secretaries for Manpower and Reserve Affairs largely concurred that funding for equipment and full-time support, particularly in the Army, has been inadequate.<sup>79</sup>

Despite the tremendous attention given in recent years to the reserves' underfunding, their share of service moneys has changed little, even as their operational use has increased significantly and as the services plan for their rotational use. The Commission believes that the services have not programmed and budgeted their reserves for a higher operating tempo and for the personnel, operations and maintenance, and equipment sufficient to meet the increased training and readiness requirements.

## Personnel and Force Structure

The military has made significant investments in recruiting, retaining, and training reserve personnel. Yet the Department of Defense as a whole lacks a strategy to develop the kind of workforce needed for the 21st century. Central to an effective manpower strategy is a comprehensive understanding of the nation's future force requirements. That force will need to be flexible—able to be tailored to meet total manpower needs, expanding or contracting when required. In order to compete for top-quality young men and women, DOD needs to develop a personnel management strategy that reflects the realities of a 21st-century workforce.

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... the Department of Defense as a whole lacks a strategy to develop the kind of workforce needed for the 21st century.

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As noted above, since September 2001, hundreds of thousands of Selected Reserve members have served in support of operations in the global war on terror. The Defense Department has reacted to the shortfall of personnel caused by the increasing requirements. On January 11, 2007, Secretary of Defense Gates announced that he was recommending an end strength increase of 92,000 personnel in the active Army and Marine Corps over the next five years: 65,000 in the Army and 27,000 in the Marines.<sup>80</sup> In addition, the Secretary recommended an increase of 8,200 in the Army National Guard and 6,000 in the Army Reserve.<sup>81</sup> There is no indication that these increases will meet the demands of current plans, which call for the use of reserve units in rotation.<sup>82</sup>

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77 Lieutenant General Stephen Speakes, Army Deputy Chief of Staff, G-8, brief provided to the Commission, May 15, 2007, p. 6; Major General Charles Stenner, Air Force Deputy Chief of Staff, A-8, brief provided to the Commission, May 15, 2007, pp. 2, 7, 19.

78 See, e.g., Lieutenant General John Bradley, Chief, United States Air Force Reserve, testimony before the CNGR, Hearing on National Guard and Reserve Issues, transcript of July 19, 2006, hearing ([www.cngr.gov/July%2019/transcript0719.pdf](http://www.cngr.gov/July%2019/transcript0719.pdf)), p. 27; Lieutenant General Blum, prepared statement, May 3, 2006, p. 4.

79 QFR, the Honorable William A. Navas, Jr., Assistant Secretary of the Navy (Manpower and Reserve Affairs), answers submitted to the CNGR June 29, 2007, pp. 2–4; the Honorable Ronald James, Assistant Secretary of the Army for Manpower and Reserve Affairs, letter to Chairman Arnold L. Punaro, June 21, 2007, pp. 3, 4.

80 DOD News Release, No. 029-07, January 11, 2007 ([www.defenselink.mil/Releases/Release.aspx?ReleaseID=10388](http://www.defenselink.mil/Releases/Release.aspx?ReleaseID=10388)).

81 Department of the Army, "Fiscal Year 2008/2009 Budget Estimates, February 2007, National Guard Personnel, Army," p. 5; Department of the Army, "Fiscal Year 2008/2009 Budget Estimates, February 2007, Reserve Personnel, Army," p. 8.

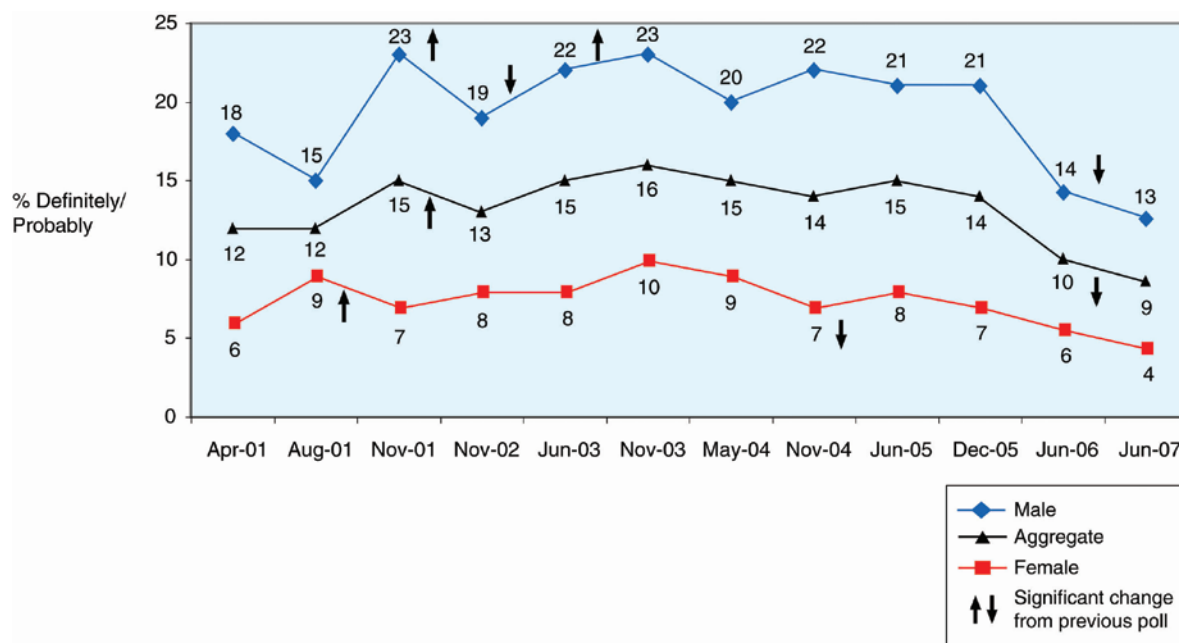
82 "Final Report of the Defense Science Board Task Force on Deployment of Members of the National Guard and Reserve in the Global War on Terrorism" (Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics), September 2007, p. vii.

## Recruiting

The viability of the all-volunteer force depends in large measure on the military's ability to recruit close to 200,000 individuals every year. The degree of success or difficulty in recruiting and retention is one indicator of the sustainability of the force, particularly at a time of high operational use. Since March 2003, when the conflict in Iraq began, several DOD components have had considerable problems in meeting their recruiting goals. In the coming years, recruiting will be even more challenging for the Army. The total size of the Army will increase by 74,000 between 2008 and 2012.<sup>83</sup> This end strength will require significantly higher annual recruiting goals than the active component goal of 80,000 that the Army has labored to meet for the past two years.<sup>84</sup>

As discussed in Chapter III of this report, demographic trends portend a great struggle for a limited number of healthy, high-quality individuals in the workforce. The data that follow give serious indication that the services are beginning to lag in the competition for these young people. Chapter III makes recommendations that are intended to increase the military's success by devising a personnel management strategy that will make military service an attractive option to the future labor force. Making the operational reserve a sustainable force that can accommodate a wide variety of part-time working arrangements is a fundamental element of the changes proposed.

Factors such as the propensity for young people to enter the military are extremely important for recruiting. The recent drops in interest in military service have been particularly severe. In August 2007, the Army's Deputy Chief of Staff for Personnel testified before Congress that youth propensity to serve in the military has reached a historic low (see Figure I.8).<sup>85</sup>



Source: Joint Advertising, Market Research and Studies (JAMRS) June 2007 Youth Poll, slide 26 (available at [www.dmren.org](http://www.dmren.org)).  
Question: How likely is it that you will be serving in the Military in the next few years?

**Figure I.8. Propensity to Serve in the Military, by Gender**

83 General George W. Casey, Jr., Chief of Staff, United States Army, "On the Army's Strategic Imperatives," prepared statement before the Senate Armed Services Committee, 110th Cong., 1st sess., November 15, 2007.

84 DOD News Releases, "DOD Announces Recruiting and Retention Numbers for FY 2006," No. 1009-06, October 10, 2006; "DOD Announces Recruiting and Retention Numbers for FY 2007," No. 1202-07, October 10, 2007.

85 Lieutenant General Michael Rochelle, testimony before the Subcommittee on Military Personnel, House Armed Services Committee, 110th Cong., 1st sess., August 1, 2007.

The reluctance of young people to enlist is apparently forcing the Army to compromise on its quality standards. During FY 2007, only 79 percent of recruits entering the Army without previous military service possessed a high school diploma.<sup>86</sup> The Army thus fell below the DOD standard—that at least 90 percent of new recruits should have a high school diploma—which the other services met or exceeded. Moreover, waivers granted by the Army, enabling candidates to enlist who normally would be disqualified for medical or other reasons, have “risen steadily in recent years, from 8,900 in 2004 to 10,200 in 2005 and 13,500 in 2006 (or 11.5 percent, 13.9 percent, and 16.9 percent of recruits from those years respectively).”<sup>87</sup> The increase in behavioral or moral waivers, sought when candidates have criminal charges or convictions or have previously used certain drugs, is striking: 4,500 were given in 2004, 5,500 in 2005, and 8,100 in 2006 (that is, 5.8 percent, 7.5 percent, and 10.1 percent of all recruits).<sup>88</sup>

Two of the most important qualifications for military service are aptitudes—as measured by the Armed Forces Qualification Test, or AFQT—and a high school diploma. Studies have shown that lowering AFQT standards for military recruiting will have far-reaching detrimental effects, including higher long-term costs and lower mission effectiveness.<sup>89</sup> Both outcomes jeopardize the long-term sustainability of the operational reserve.

The AFQT measures the mathematical and verbal skills of military applicants. A high-quality recruit, according to the military, is “one who has scored above the 50th percentile on the AFQT and has a high school diploma.”<sup>90</sup> As Under Secretary Chu explained, “Those who score above average on the AFQT are in Categories I–IIIA. [DOD values] these higher-aptitude recruits because they absorb training lessons and perform better on the job than their lower-scoring peers,” in the lower categories of IIIB to IV.<sup>91</sup> The Army normally seeks to ensure that at least 60 percent of its recruits meet the criteria to be judged high-quality;<sup>92</sup> in 2006, only 49 percent did so.<sup>93</sup>

The Army has continued to recruit and retain service members to meet its designated end strengths, but its success has not been without a high price. Of the four services, the Army has the greatest expenditures for recruiting. It spent \$126 million on advertising in 2001 and \$216 million in 2005.<sup>94</sup> In fiscal year 2006, DOD spent \$1.8 billion on advertising and recruiting;<sup>95</sup> the Army’s costs per accession (or enlistee) were \$18,327, and they are projected to rise to \$18,842 in fiscal year 2008. The Marine Corps is also spending more on recruiting: it paid about \$7,900 per accession in 2007,

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86 DOD News Briefing with Under Secretary of Defense for Personnel and Readiness David S. C. Chu, October 10, 2007.

87 CBO, “The All-Volunteer Military: Issues and Performance,” July 2007, p. 18.

88 CBO, “The All-Volunteer Military,” p. 18.

89 Jennifer Kavanagh, “Personnel Quality, AFQT, and Performance,” chapter 4 of *Determinants of Productivity for Military Personnel: A Review of Findings on the Contribution of Experience, Training, and Aptitude to Military Performance*, TR-193-OSD (Santa Monica, CA: Rand, 2005), pp. 27–32.

90 Dr. Tim Kane, “Who Are the Recruits? The Demographic Characteristics of U.S. Military Enlistment: 2003–2005,” A Report of the Heritage Center for Data Analysis, CDA06-09, October 26, 2006, p. 7.

91 The Honorable David S. C. Chu, Under Secretary of Defense (Personnel and Readiness), “Overview of Recruiting and Retention,” prepared statement before a hearing of the House Armed Service Subcommittee on Military Personnel, 110th Cong., 1st sess., February 15, 2007, p. 3.

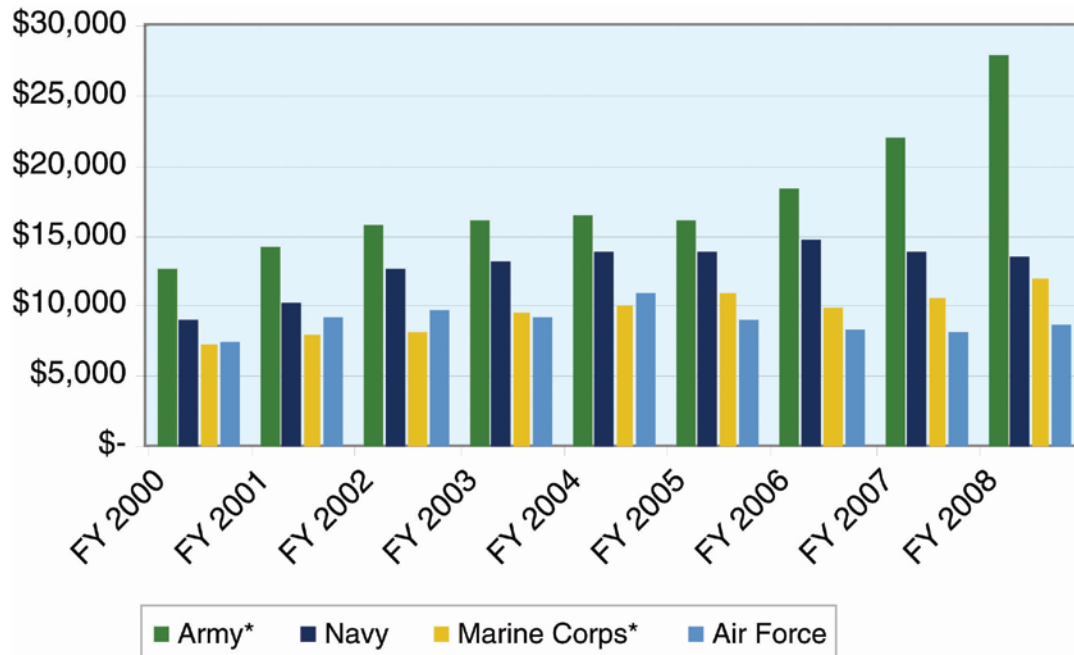
92 Kane, “Who Are the Recruits?” p. 7.

93 CBO, “The All-Volunteer Military,” p. 18.

94 CBO, “Recruiting, Retention, and Future Levels of Military Personnel,” October 2006, p. 8.

95 “Defense Budget Materials: FY 2007” and earlier, DOD budget documents on Operations and Maintenance Budget ([www.defenselink.mil/comptroller/defbudget/fy2007/index.html](http://www.defenselink.mil/comptroller/defbudget/fy2007/index.html)); “Detailed Information on the Department of Defense Recruiting Assessment,” ExpectMore.gov ([www.whitehouse.gov/omb/expectmore/detail/10000064.2002.html](http://www.whitehouse.gov/omb/expectmore/detail/10000064.2002.html)); “Spending on Military Recruiting,” National Priorities Project, September 7, 2006 ([www.nationalpriorities.org/charts/Spending-on-Military-Recruiting-2.html](http://www.nationalpriorities.org/charts/Spending-on-Military-Recruiting-2.html)).

and it expects to pay about \$10,857 in fiscal year 2008.<sup>96</sup> However, these numbers do not include supplemental expenditures for recruiting. The Office of the Under Secretary of Defense for Personnel and Readiness estimates that the Army's FY 2007 cost per recruit, with supplemental spending, is \$22,000; in FY 2008 it will be \$28,000 (see Figure I.9).



Source: Data and estimates provided by OUSD(P&R), December 4–5, 2007.

\* Army and Marine Corps figures include anticipated supplementals for FYs 2007 and 2008.

**Figure I.9. Average Annual Cost per Recruit by Service, FY 2000–FY 2007**

The recruitment of high-quality personnel is never easy, and the nation's current engagement in combat operations adds significantly to the challenge. Making matters worse, DOD estimates that more than half of the youth in the U.S. population do not meet the minimum requirements to enter military service.<sup>97</sup> Other indicators, such as the shrinking numbers of new recruits in delayed entry programs<sup>98</sup> and the services' recourse to stop-loss, which delays service members from leaving active duty, suggest that the components may be experiencing serious recruiting challenges as they attempt to meet their personnel requirements.

Figure I.10 depicts the target population for recruiters, men between the ages of 17 and 24. As it shows, only 26 percent of them are potentially fully qualified for military service. Overall, seven out of ten are not eligible for the military with-

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DOD estimates that more than half of the youth in the U.S. population do not meet the minimum requirements to enter military service.

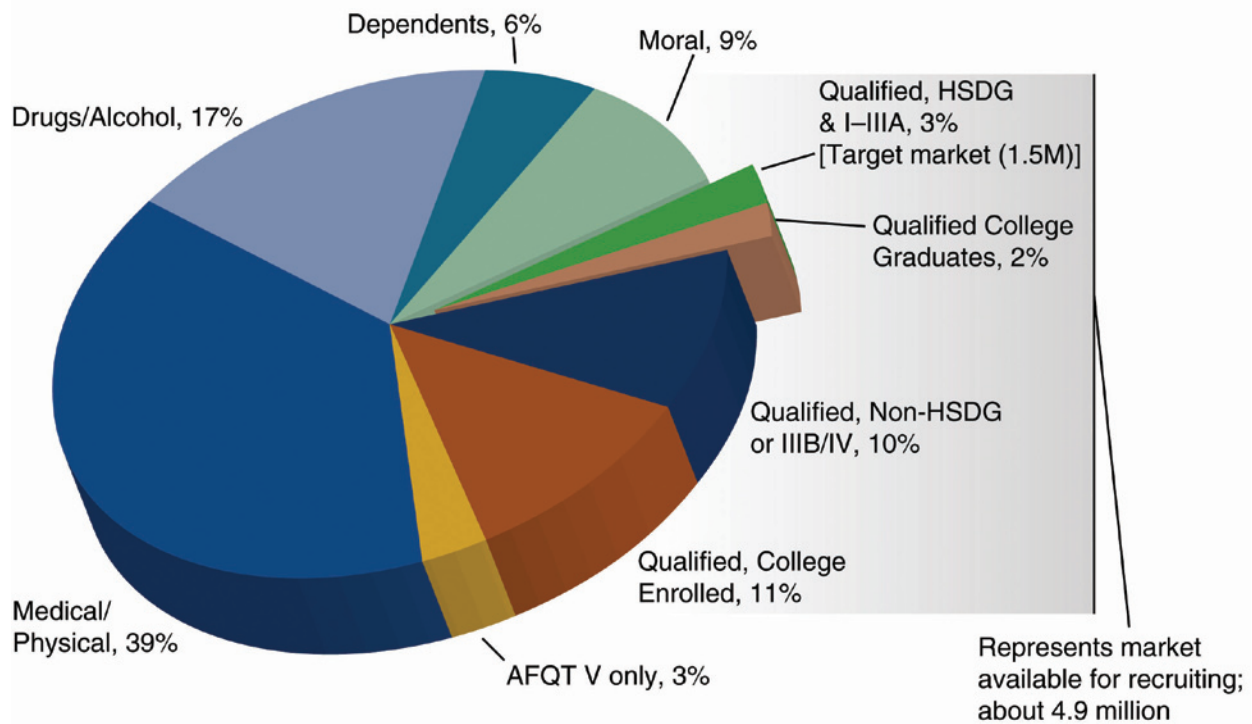
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96 Gordon Lubold, "To Keep Recruiting Up, US Military Spends More," *Christian Science Monitor*, April 12, 2007.

97 Dr. Curtis Gilroy, Director, Accession Policy, Office of the Under Secretary of Defense (Personnel and Readiness), "Expanding the Recruiting Market: What Does Enlistment Supply Look Like?" Brief presented to the CNGR staff, November 1, 2006, slide 3.

98 "United States Army Military Readiness," press release from Representatives Murtha and Obey, September 13, 2006.

out a waiver and most of the disqualifications relate to obesity (22 percent of youth are disqualified because of their high body mass index).<sup>99</sup> Because the number of available recruits is shrinking and the competition from colleges and the labor market is becoming more intense, more recruiting dollars will be needed in the future to attract high-quality individuals to the military. In response to the difficulties it is experiencing today, DOD is expanding its recruiting market by targeting particular segments such as women and Hispanics, raising the upper age limit for enlistment, and, as noted above, granting more medical and moral waivers and lowering the quality standards.<sup>100</sup>



Source: Dr. Curtis Gilroy, Director, Accession Policy, Office of the Under Secretary of Defense (Personnel and Readiness), "Expanding the Recruiting Market: What Does Enlistment Supply Look Like?" Brief presented to the CNGR staff, November 1, 2006, slide 3.

**Figure I.10. The Primary Military Recruiting Market and Rates of Disqualification, by Reason**

Historically, the reserve components have recruited heavily from individuals with previous active duty service—"prior service" recruits—who thus have already received training and possess military skills. Over the past decade, from fiscal year 1997 to fiscal year 2006, all DOD reserve components have seen their proportion of prior service enlistments decline (see Table I.1). Although Congress recently took action to address the problem,<sup>101</sup> the Army's Military Personnel Management Office reports that the Guard and Reserves are short approximately 10,000 company-grade officers—the lieutenants and captains who provide critical small-unit leadership.<sup>102</sup> Prior service personnel are very desirable not just because of the inherent advantages of their experience (their capabilities) but

99 Dr. Gilroy, "Expanding the Recruiting Market," slides 4, 6.

100 Dr. Gilroy, "Expanding the Recruiting Market," slide 19.

101 See House Report 110-477, Conference Report to accompany H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, 100th Cong., 1st sess., December 6, 2007, §523 (repealing the limit on the number of ROTC scholarships that may be awarded to cadets who agree to serve in the Army's reserve components).

102 Gary Sheftick, "\$6K Bonuses Aim to Cut RC Officer Shortage," Army News Service, February 16, 2005.



because they are cost-effective, as they need far less training. Conversely, a decrease in their numbers results in both a less experienced force and sizable increases in training costs and time.

Table I.1. Prior Service Recruits in the Reserve Components (percent), FY 1997–FY 2007

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ARNG	61.1	53.4	54.3	48.4	46.6	48.1	44.9	44.3	44.9	38.5	37.0
USAR	59.3	59.7	56.9	53.5	39.8	46.7	46.0	50.1	45.9	51.9	44.5
ANG	68.7	60.7	58.7	52.3	46.9	48.9	47.0	49.0	58.1	54.2	55.9
AFR	n.a.	82.7	82.4	77.6	71.7	61.7	60.7	65.5	76.2	69.7	72.8
USNR	100.0	n.a.	85.3	80.7	81.7	67.6	60.9	76.5	63.8	64.6	69.5
USMCR	50.4	40.5	38.2	35.3	35.2	41.5	25.0	25.3	29.0	27.0	33.6

Source: Reserve component (Selected Reserve) enlisted recruiting data provided by the Deputy Assistant Secretary of Defense for Reserve Affairs (Manpower and Personnel), October 19, 2007.

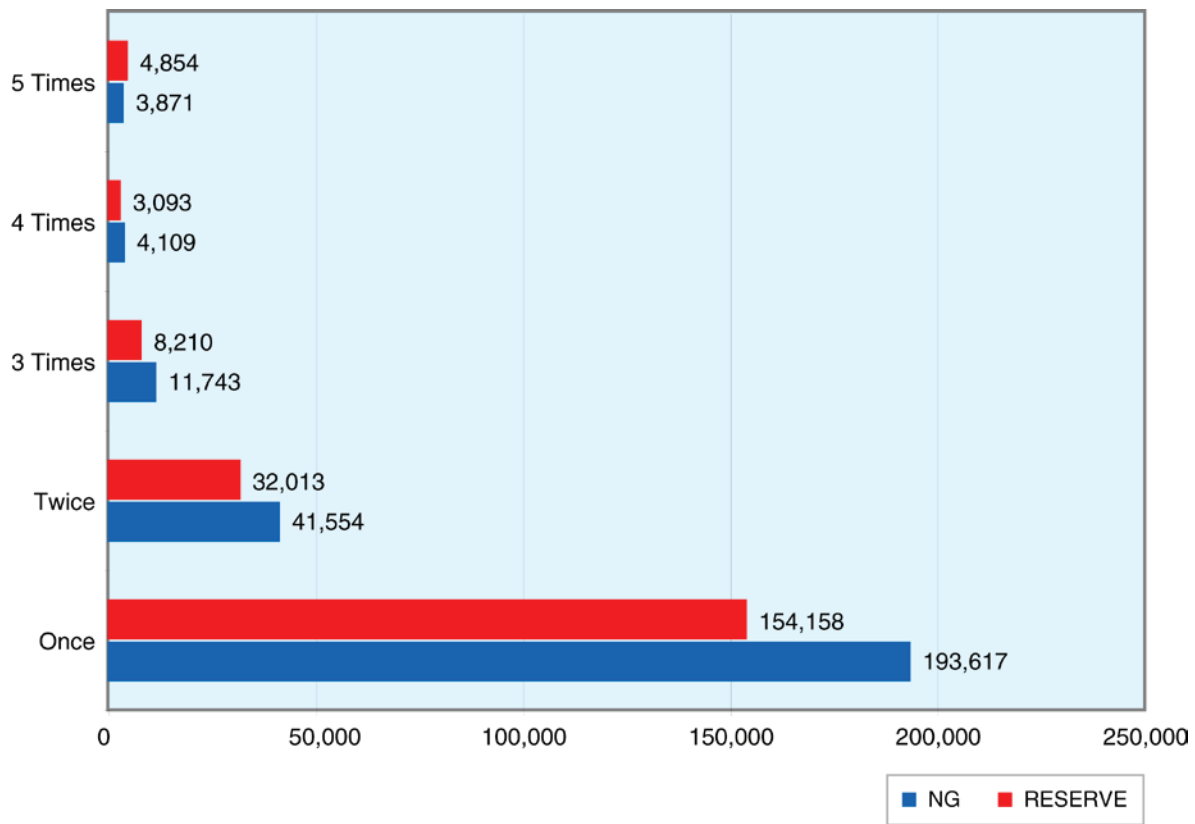
In the absence of prior service members, replacement training costs for new recruits are higher. For example, if just 1,000 fewer prior service members than anticipated had been recruited in 2006, about \$8 million more in unforeseen costs would have been needed to train new recruits.<sup>103</sup>

The Commission believes that the challenges discussed above warrant an in-depth study by GAO of the long-term viability and affordability of the all-volunteer force. This study should build on work already conducted by GAO on the cost of military compensation; its evaluation should encompass the underlying expenses of the wide range of programs and activities that enable the services to attract and retain the people needed to maintain a volunteer force both during and after a time of war. Among these are the cost of bonuses, advertising, recruiters and administrative overhead, and retention incentives, including combat zone tax exemptions and other bonuses. The study should also take into account trends in quality since 2000, including the increased number of waivers granted.

## Readiness

In assessing whether a unit is “combat ready,” the military relies on a readiness classification that usually simply verifies that it has sufficient quantities of equipment and of people, with appropriate training. This assessment does not take into account that the members of the unit may be suffering from extreme battle fatigue because of the number and intensity of their deployments (for numbers of deployments, see Figure I.11).

103 “Detailed Information on the Department of Defense Training and Education Programs—Accession Training Assessment,” ExpectMore.gov ([www.whitehouse.gov/omb/expectmore/detail/10003209.2005.html](http://www.whitehouse.gov/omb/expectmore/detail/10003209.2005.html)). Some prior service recruits also incur training costs as they are retrained into a specialty that is needed by the unit.



Source: Defense Manpower Data Center (DOD), Contingency Tracking System Deployment File, November 2007.

Figure I.11. Number of Deployments of National Guardsmen and Reservists, 2001–2007

### *Stress from Multiple Deployments*

Data gathered by a DOD task force on mental health “indicate that multiple deployers were significantly more likely to report symptoms consistent with depression, anxiety, [and] acute stress, . . . and also significantly lower personal morale than first-time deployers.” Moreover, service members and their families reported that “lengthy or multiple deployments strain marriages and other relationships.”<sup>104</sup> An assessment of mental health problems of reserve component soldiers returning from Iraq showed that “42.4 percent requir[ed] mental health treatment,”<sup>105</sup> and an Army survey revealed that soldiers are significantly more likely to suffer “higher levels of acute stress” if they serve more than one tour.<sup>106</sup>

For the foreseeable future, DOD expects to continue mobilizing reservists in support of the current war and relying on the thousands of reserve component members who have volunteered for

104 *An Achievable Vision: Report of the Department of Defense Task Force on Mental Health* (Falls Church, VA: Defense Health Board, 2007), p. A-3 (see also pp. 32, 36).

105 C. S. Milliken, J. L. Auchterlonie, and C. W. Hoge, “Longitudinal Assessment of Mental Health Problems Among Active and Reserve Component Soldiers Returning from the Iraq War,” *Journal of the American Medical Association* 298, no. 18 (2007): 2141–48.

106 Mental Health Advisory Team (MHAT-III), “Operation Iraqi Freedom 04-06: Report,” Office of the Surgeon, Multi-national Force–Iraq, and Office of The Surgeon General United States Army Medical Command, May 29, 2006, p. 6.

extended periods of active duty service. DOD cannot meet its global commitments without the ongoing participation of its more than 1.1 million National Guard and Reserve members. The stresses caused by multiple deployments must be identified and limited to ensure the sustainability of continual employment of an operational reserve. Chapter V of this report makes recommendations for policies to address these problems.

### *Equipment Shortages*

Equipment readiness continues to suffer with the ongoing military operations in Iraq and Afghanistan. Including supplemental funding for equipment, the Army has “programmed \$36.9 billion for the National Guard and \$10.6 billion for the Army Reserve between FY 2005 and FY 2013”;<sup>107</sup> however, it was not able to provide detailed information about the types and amounts of equipment it will buy or to describe the extent to which this funding will increase the compatibility of their equipment with that of the active component. In addition, “[t]he Army cannot track or report” on expenditures to replace or repair worn-out equipment “in a way that confirms that funds appropriated for” that purpose are actually spent on reset.<sup>108</sup> The Commission believes the Army has not provided sufficient information for an assessment of the capabilities, costs, affordability, and risks of its modular force implementation plans. And because units deploying overseas are likely to continue to take priority over non-deployed units when equipment is funded, reserve units will probably continue to suffer critical shortfalls of some key items well into the future.

According to a January 2007 Government Accountability Office report, “the National Guard’s equipment inventories in the United States”—particularly in the Army National Guard—“have significantly decreased because of overseas operations.”<sup>109</sup> While GAO found that most state National Guard leaders judged that they had adequate resources to accomplish “typical state missions,” these leaders also “expressed concerns about whether they would have enough equipment to respond to a large-scale natural or man-made disaster such as Hurricane Katrina.”<sup>110</sup>

GAO found that before current overseas operations began, the majority of the Army National Guard’s combat forces were supplied with 65 to 79 percent of their required equipment. “As of November 2006, nondeployed Army National Guard forces nationwide had about 64 percent of the total amount of dual-use equipment [including authorized substitute items] they are authorized to have based on their warfighting missions. However, inventory levels of the different types of dual-use equipment varied widely, . . . [and t]he average inventory level by type of equipment was roughly 42 percent nationwide.”<sup>111</sup>

The need to equip and prepare our reserves for service at home is critical. Failure to recognize the urgency of this vital requirement places the nation at risk. The increasing power and reach of terror-

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107 The Honorable Nelson Ford, Assistant Secretary of the Army, Financial Management and Comptroller, prepared witness statement before the CNGR, Hearing on Resourcing and Readiness Employer and Family Support, May 16, 2007 ([www.cngr.gov/May%2015-17/Ford%20statement.pdf](http://www.cngr.gov/May%2015-17/Ford%20statement.pdf)), p. 4.

108 William M. Solis, GAO, Director, Defense Capabilities and Management, “Defense Logistics: Preliminary Observations on the Army’s Implementation of Its Equipment Reset Strategies,” GAO-07-439T (Testimony before the Subcommittees on Readiness and Air and Land Forces, Committee on Armed Services, House of Representatives), January 31, 2007, p. 1.

109 GAO, “Reserve Forces: Actions Needed to Identify National Guard Domestic Equipment Requirements and Readiness,” GAO 07-60 (Report to the Ranking Minority Member, Committee on Oversight and Government Reform, and Ranking Minority Member, Subcommittee on National Security and International Relations, House of Representatives), January 2007, p. 2.

110 GAO, “Reserve Forces: Actions Needed to Identify National Guard Domestic Equipment Requirements and Readiness,” pp. 2, 6.

111 GAO, “Reserve Forces: Actions Needed to Identify National Guard Domestic Equipment Requirements and Readiness,” p. 26.

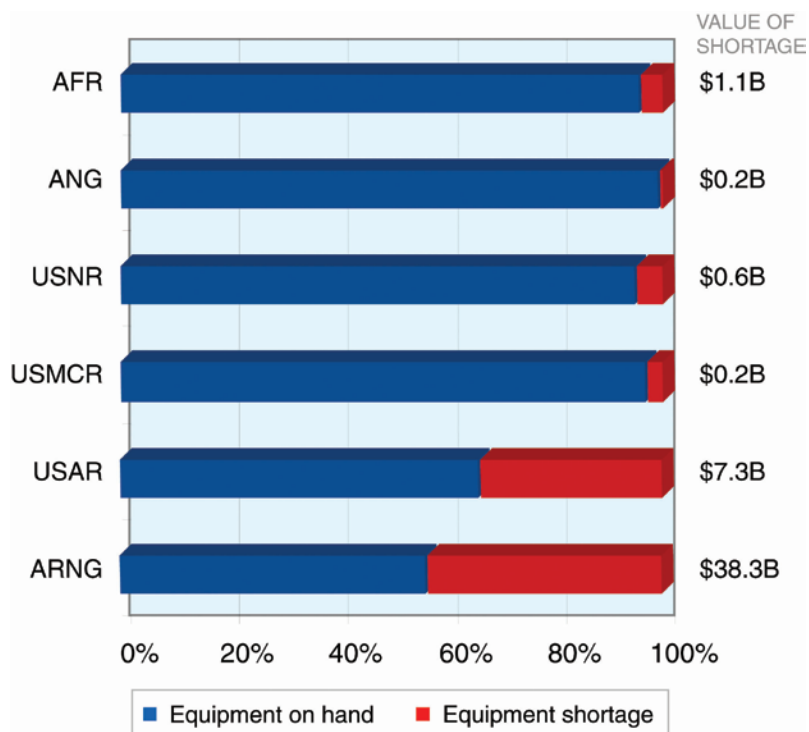
ists in the past decade ranks as one of the most disturbing developments of our time. The reserve components are stretched thin—conducting operations on the border, preparing for hurricanes, flying combat air patrols, and responding to local floods and wildfires. The reserves must be provided with the resources required to accomplish their homeland security tasks and responsibilities, in addition to supporting their wartime missions overseas.

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The need to equip and prepare our reserves for service at home is critical. Failure to recognize the urgency of this vital requirement places the nation at risk.

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The Army National Guard and Army Reserve have the most acute shortages: they are unable to meet 43.5 percent and 33.5 percent of their respective equipment requirements (see Figure I.12). Part of the shortage is due to the necessity to leave equipment in theater to support the current fight and to the accelerated rate at which equipment is wearing out (five to ten times faster than in peacetime operations).<sup>112</sup> In addition, the Army has been forced to transfer equipment from non-deploying units to deploying units, further degrading the readiness of units at home for stateside missions.



Source: Office of the Assistant Secretary for Reserve Affairs, *National Guard and Reserve Equipment Report for Fiscal Year 2008*, February 2007, p. 1-3.

**Figure I.12. Reserve Component Equipment Shortages, 2008 (percent)**

<sup>112</sup> Office of the Assistant Secretary of Defense for Reserve Affairs, *National Guard and Reserve Equipment Report for Fiscal Year 2008*, February 2007, p. 1-1.

### *Shortages in Full-Time Support*

Another shortage is in full-time support (FTS) personnel. These are essential team members whose primary purpose is to train and to maintain readiness in Guard and Reserves units. Reserve component forces that are properly trained and equipped throughout the year require less time to get ready post-mobilization, are better prepared for deployment, and are more cost-effective in their operation. In deployable units, FTS staffs perform a wide range of vital day-to-day functions such as training, recruiting, retention counseling, equipment maintenance, administration, and record keeping, and they serve as advisors to reserve commanders.

The Army's reserve components are critically short of FTS personnel—mainly provided by the Active Guard and Reserve (AGR) program—at the small unit level.<sup>113</sup> While evidence of the shortage there is strong, one group of researchers has suggested that the fundamental problem is not numbers but the distribution of current full-time support personnel in the Army's reserve components, which it contends is not optimal to maintain unit readiness. Analysts at Rand have argued that many FTS personnel are assigned to non-deployable billets, “estimat[ing] that less than one-quarter of the total 66,000 full-time support staff in 2000 was assigned at the company level or below.”<sup>114</sup> The shortage of FTS staff has created enormous readiness challenges for these components.

### *Damage from Cross-Leveling*

Another widespread practice that is damaging readiness across the reserves is cross-leveling—taking personnel or equipment from one unit to make another whole or more ready. Such merging of personnel and equipment does significant harm. The cross-leveling of personnel disrupts both of the units involved and degrades readiness, morale, and retention.<sup>115</sup> Cross-leveling of equipment to units that are training and deploying, which likewise is highly damaging, has two main causes. First, many of the systems in the reserve component inventory are older and outdated and are thus not deployable. Second, as noted above, much of the modern equipment that the reserve components possess is left in theater for use by follow-on units, further degrading unit readiness at home.<sup>116</sup>

### **DOD and Congressional Efforts**

According to the Department of Defense, since 2002, 168 pieces of legislation addressing in some fashion the needs of the reserve components have become law. Of those 168 laws, 71 were initiated by the Department of Defense; 9 others were informally supported by the Department.<sup>117</sup> These are a patchwork of incremental changes that tinker at the margins rather than bold and systemic reforms designed to address the needs of the reserve components in the 21st century. The changes supported by the Department range from the substantive and significant, such as the creation of the “operational support” category; to the relatively mundane, such as giving reserve component members in a funeral honors duty status the same rights and protections as a member in an inactive

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113 Small unit data provided by the Full Time Support Division, Office of the Chief, Army Reserve, September 4, 2007; written submission to the CNGR by California Army National Guard, August 23, 2007, p. 1.

114 John M. Halliday, David Oaks, and Jerry M. Sollinger, “Breaking the Mold: A New Paradigm for the Reserve Components,” Rand Issue Paper IP-190, 2000, p. 3.

115 Lieutenant Colonel Thomas Sisinyak, U.S. Army Reserve, Commander, 812th Transportation Battalion, testimony before the CNGR, Hearing on National Guard and Reserve Issues, transcript of September 21, 2006, hearing ([www.cngr.gov/hearing918-21/transcript4.pdf](http://www.cngr.gov/hearing918-21/transcript4.pdf)), p. 10; and prepared witness statement before the CNGR, September 21, 2006 ([www.cngr.gov/hearing918-21/LTC%20Thomas%20Sisinyak%20opening%20statement%20USAR.pdf](http://www.cngr.gov/hearing918-21/LTC%20Thomas%20Sisinyak%20opening%20statement%20USAR.pdf)).

116 Janet St. Laurent, GAO, Director of Defense Capabilities and Management, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, September 21, 2006 ([www.cngr.gov/hearing918-21/ReserveCommissiontestimonyGAO.pdf](http://www.cngr.gov/hearing918-21/ReserveCommissiontestimonyGAO.pdf)), p. 6.

117 CNGR analysis of document provided by OASD-RA, September 14, 2007. The document summarized all changes to statute resulting from the national Defense authorization acts from fiscal years 2002 to 2007.



duty for training status; to the truly minor. Moreover, they include some changes of very dubious merit, such as cutting the numbers of active duty personnel providing full-time support for the Army reserve components. DOD's actions have been more reactive than proactive, more timid than bold, and more incremental than systemic. They have not focused on the overarching set of alterations necessary to make the reserve components a ready, rotational force that DOD plans to use in the future.

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The nation must be careful in how it allocates its scarce resources and must shape the capabilities of its military forces to prevail in a dynamic and frequently changing strategic environment, rather than simply making marginal adjustments based on current exigencies and hoping that the current roles and missions of the reserve components will continue to meet our national security requirements in the future. The factors discussed above will, the Commission believes, lead to significant changes in the roles and missions of the reserve components in coming years.

The threats that the United States faces at home and abroad—including the looming threat from the nation's burgeoning fiscal imbalance—will grow; the size of the active duty force will not be large enough to obviate the need for the reserve components to meet operational needs overseas; and the cost of military compensation and benefits for both the current force and military retirees will continue to rise and make it difficult to afford increasing the size of the active duty military. In this environment, the reserves will remain a cost-effective alternative to the active component and will continue to provide unique capabilities for both overseas and homeland missions. We give particular weight to National Guard and Reserve capabilities in the homeland, where they are better suited than the active component to taking the lead in meeting threats of—and helping to manage the consequences of—an attack. The Commission believes that in coming years, DOD will be required to play a greater role in preparing for and responding to crises in the homeland (see Chapter II for a full discussion of this issue).

Indeed, the increasing cost of personnel, and the challenges of recruiting and retaining qualified individuals, will, we believe, inevitably require reductions in the size of the active force. This shrinking

active force will necessarily be accompanied by an increased reliance on reserve forces for operations, particularly for homeland missions. The overall effectiveness of those forces will depend on greater integration of the reserves with the active component.

If the Commission is correct in concluding that there is no reasonable alternative to increased reliance on the National Guard and Reserves for future operations, then significant changes are imperative. The Department of Defense has declared the reserves to be operational, and developed plans to use them operationally for the foreseeable future, but has not provided the requisite support or made the changes necessary to ensure their sustainability in that role. Equally important, there has been no national

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The Department of Defense has declared the reserves to be operational . . . but has not provided the requisite support or made the changes necessary to ensure their sustainability in that role.

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Army Chief of Staff General Schoomaker at December 2006 hearing.

debate about the implications of maintaining a truly operational reserve force for the foreseeable future, nor have elected leaders in Congress explicitly accepted those repercussions. That debate should have begun years ago.

The consequences of continuing to employ the reserve components operationally within a Cold War framework have been and remain extremely damaging, and urgent attention by DOD and Congress is required to reverse the negative trends. Congress and DOD need to establish priorities for and appropriately fund missions that the reserves will perform in their strategic and operational roles, in peacetime and wartime, at home and abroad. Congress and DOD need to update the Department's personnel management system to attract and retain the best and brightest of the 21st-century workforce. DOD needs to develop realistic plans to implement its force generation models (discussed in more detail in Chapter IV of this report), which are supposed to improve force providers' access to manpower and give predictability to combatant commands, the services, individual service members, their families, and civilian employers. Service members, their families, and their employers need enhanced support. And DOD's organizational structure needs to eliminate outmoded stovepipes, stop segregating reserve functions from their active component counterparts, transform reserve component categories to manage a continuum of service, and help bridge the active-reserve cultural divide.

A new road map for creating an operational reserve is essential and long overdue: a description of the significant changes to laws, regulations, policies, funding mechanisms, pay categories, mobilization processes, personnel laws, force structure, and organizations required to make the reserves truly operational within the total force.

**Conclusion One:** The nation requires an operational reserve force. However, DOD and Congress have had no serious public discussion or debate on the matter, and have not formally adopted the operational reserve. Steps taken by DOD and Congress have been more reactive than proactive, more timid than bold, and more incremental than systemic. They thus far have not focused on an overarching set of alterations necessary to make the reserve components a ready, rotational force. Congress and DOD have not reformed the laws and policies governing the reserve components in ways that will sustain an operational force.

**Recommendation:**

1. Congress and the Department of Defense should explicitly acknowledge the need for, and should create, an operational reserve force that includes portions of the National Guard and Reserves. In order to place the reserve components on a sustainable path as part of that force, Congress and DOD must modify existing laws, policies, and regulations related to roles and missions, funding mechanisms, personnel rules, pay categories, equipping, training, mobilization, organizational structures, and reserve component categories. These significant changes to law and policy are required if the reserve components are to realize their full potential to serve this nation and if existing adverse trends in readiness and capabilities are to be reversed. Moreover, the traditional capabilities of the reserve components to serve as a strategic reserve must be expanded and strengthened.



## II. ENHANCING THE DEFENSE DEPARTMENT'S ROLE IN THE HOMELAND

Today, the homeland is part of the battlefield and the federal government must use all elements of national power to protect it.<sup>1</sup> Dangers to the homeland include traditional military threats, such as conventional attacks on people and property, and more unorthodox ones, such as terrorist attacks. In addition, Hurricane Katrina and other recent disasters have raised the public's awareness of the hazards posed by catastrophic natural disasters. As a result of these threats to the homeland and the new awareness of the danger, protecting the homeland has become a greater priority for all levels of government. The National Guard and Reserves are key elements of this effort, yet there are a number of obstacles to the Department of Defense's playing an enhanced role in the homeland.

**Conclusion Two:** The Department of Defense must be fully prepared to protect American lives and property in the homeland. DOD must improve its capabilities and readiness to play a primary role in the response to major catastrophes that incapacitate civilian government over a wide geographic area. This is a responsibility that is equal in priority to its combat responsibilities. As part of DOD, the National Guard and Reserves should play the lead role in supporting the Department of Homeland Security, other federal agencies, and states in addressing these threats of equal or higher priority.

### A. MAKING CIVIL SUPPORT A STATUTORY RESPONSIBILITY

The armed forces' civil support function, as their role in homeland security is often described, is critical to the nation's security. The 2007 National Strategy for Homeland Security describes the armed forces as "crucial partners in homeland security."<sup>2</sup> On the state level, the National Guard is a key element of state civil support. In an echo of the National Strategy for Homeland Security, the draft National Response Framework describes it as a "crucial state resource during emergencies and disasters."<sup>3</sup> On the federal level, the Department of Defense plays a similarly vital role. In the National Response Plan, it is a supporting agency to all 15 Emergency Support Functions (ESFs), which align categories of resources (e.g., transportation, communication, and search and rescue) and provide strategic objectives for their use.<sup>4</sup> Likewise, in the draft National Response Framework, DOD plays either a supporting or primary role in 14 of the 15 ESFs.<sup>5</sup>

The two ways in which "[t]he Department of Defense contributes to homeland security . . . [are] homeland defense" and civil support.<sup>6</sup> Homeland defense is the military defense of the homeland, while civil support is DOD support to other agencies in the performance of their mission, which

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- 1 See Appendix 2, "Homeland Security and the Reserve Components," for a full overview of how the federal government protects the homeland.
  - 2 *National Strategy for Homeland Security* ([Washington, DC: Office of Homeland Security], 2007), p. 50.
  - 3 *National Response Framework (Draft)* ([Washington, DC: Department of Homeland Security], 2007), p. 37.
  - 4 *National Response Plan* ([Washington, DC: Department of Homeland Security], 2004), p. ESF-v; *National Response Framework (Draft)*, Glossary and Acronyms, p. 4.
  - 5 *National Response Framework (Draft)*, p. ESF-v.
  - 6 *National Strategy for Homeland Security* ([Washington, DC: Office of Homeland Security], 2002), p. 13.

often includes homeland security (for a full discussion of how these terms are defined, see Appendix 2, “Homeland Security and the Reserve Components”).<sup>7</sup> DOD views homeland defense as part of its core warfighting mission, and thus has taken on responsibility for it.<sup>8</sup> In contrast, DOD has viewed civil support as a “lesser included” mission and a lower priority.<sup>9</sup>

DOD explicitly trains and equips its forces for homeland defense. The Joint Chiefs of Staff’s document on homeland defense, Joint Publication 3-27, plainly states: “DOD is responsible for the [homeland defense] mission, and therefore leads the [homeland defense] response, with other departments and agencies in support of DOD efforts.”<sup>10</sup> In contrast, DOD takes a different position on civil support, relying primarily on “dual-capable forces” for civil support activities.<sup>11</sup> Joint Publication 3-28, “Civil Support,” describes this policy: “[civil support] capabilities are derived from Department of Defense (DOD) warfighting capabilities that could be applied to foreign/domestic assistance or law enforcement support missions.”<sup>12</sup>

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DOD views homeland defense as part of its core warfighting mission. . . . In contrast, DOD has viewed civil support as a “lesser included” mission and a lower priority.

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Despite producing policy documents claiming that protecting the homeland is its most important function, the Department of Defense historically has not made civil support a priority. This shortcoming is especially glaring in the post-9/11, post-Hurricane Katrina environment. Ensuring that the homeland is secure should be the top priority of the government of the United States.<sup>13</sup> In fact, the Joint Staff has described it as the nation’s “first priority . . . and . . . a fundamental aspect of the national military strategy,” further stating that “[i]t is . . . essential to America’s ability to project power, sustain a global military presence, and honor its global security commitments.”<sup>14</sup>

The Office of the Secretary of Defense recently agreed that civil support must become a role for which the Defense Department must begin to program and budget.<sup>15</sup> Congress has also recently taken this

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7 *Strategy for Homeland Defense and Civil Support* ([Washington, DC: Department of Defense], 2005), pp. 5–6.

8 Joint Chiefs of Staff, “Homeland Defense,” Joint Publication 3-27, July 12, 2007, p. I-2.

9 CNGR staff meeting with ASD-HD staff, October 24, 2006.

10 Joint Chiefs of Staff, “Homeland Defense,” p. I-2.

11 *Strategy for Homeland Defense and Civil Support*, pp. 38, 39: “Currently, the Department accounts for homeland defense activities through a variety of disparate programs and funding lines in every Military Department and combatant command and numerous initiatives under the purview of the Office of the Secretary of Defense. . . . DOD will maintain a ready, capable, and agile command and control structure, along with competently trained forces, to assist civilian authorities with catastrophic incident response. However, with the exception of a dedicated command and control element (currently the Joint Task Force–Civil Support) and the National Guard’s WMD Civil Support Teams, DOD will continue to rely on dual-capable forces for consequence management and other defense support of civil authorities.”

12 Joint Chiefs of Staff, “Civil Support,” Joint Publication 3-28, September 14, 2007, p. I-1. See also Joint Chiefs of Staff, “Homeland Security,” Joint Publication 3-26, August 2, 2005, p. IV-2: “The US military organizes, trains, and equips forces primarily to conduct combat operations. Inherent within the combat capabilities of the Services, is the military’s ability to rapidly respond to assist civil authorities for domestic emergencies such as disasters, authorized law enforcement, and other activities that exceed the capability of civilian agencies.”

13 *National Defense Strategy of the United States of America* ([Washington, DC: Department of Defense], 2005), p. 7; see also *Strategy for Homeland Defense and Civil Support*, p. 35 (“Securing the US homeland is the first among many priorities outlined in the National Defense Strategy”).

14 Joint Chiefs of Staff, “Civil Support,” p. I-1

15 Secretary of Defense Robert M. Gates, “Implementation of the Recommendations from the Commission on the National Guard and Reserves,” memorandum for Secretaries of the Military Departments, et al., May 10, 2007, p. 1-2, attachment p. 4.



position in the National Defense Authorization Act for Fiscal Year 2008, an extremely important step in the right direction.<sup>16</sup> In addition, there are numerous statutes giving DOD the authority to conduct civil support operations.<sup>17</sup> Yet Congress has not clearly charged the Department of Defense with the statutory responsibility to provide civil support. The Commission believes that until this current lack of clarity is corrected by Congress and until DOD is charged with this responsibility in statute, it is not clear that the change in policy regarding civil support will be fully implemented.

**Finding:** Homeland security policies and plans depend on the Department of Defense to provide support to civil authorities. Yet Congress has not clearly charged the Department with this responsibility. Until Congress does so, it is not clear that civil support will become the priority it deserves to be.

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. . . there are numerous statutes giving DOD the authority to conduct civil support operations. Yet Congress has not clearly charged the Department of Defense with the statutory responsibility to provide civil support.

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To be successful, the statutory change would need to have three elements. First, it should place into law the Department of Defense's current responsibility, as defined in its *Strategy for Homeland Defense and Civil Support*. In other words, it should state that DOD—including federal military forces, the Department's career civilian and contractor personnel, and DOD agency and component assets—has the responsibility to provide support to the Department of Homeland Security (DHS) and other agencies for domestic emergencies and for designated law enforcement and other activities.<sup>18</sup> This charge of responsibility is not meant to imply that DOD *must* provide support under *any and all*

circumstances, and it is not meant to place DOD at the disposal of other agencies. Instead, it is meant to state that DOD is responsible for civil support missions and must be ready to carry them out when called on to do so.

Second, the charge of responsibility should state that responding to natural and man-made disasters in the homeland is a core competency of DOD that is equal in priority to its combat responsibilities. Such a declaration does not mean that DOD should “become the default manpower resource for other Federal agencies or State or local governments” in every disaster.<sup>19</sup> Nor does it mean that DOD should displace DHS and the Federal Emergency Management Agency (FEMA) as the agency responsible for emergency management. It simply underscores that the Department's role in protecting the American people at home is of priority equal to defeating their enemies overseas. Given the threat of mass casualty terrorism and the increased sensitivity to the danger posed by natural disasters, DOD can no longer view its disaster response–related responsibilities as a derivative or “lesser included” capability. Only a statutory charge of responsibility will cause DOD to shift its priorities so that it begins to sufficiently plan, train, and exercise for the mission.

And third, the charge of responsibility should clearly state that in the event of a major catastrophe incapacitating civilian government over a wide geographic area, DOD can be expected to provide the bulk of the response. While the Department of Homeland Security has the lead in overall coordi-

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16 House Report 110-477, Conference Report to accompany H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, 110th Cong., 1st sess., December 6, 2007, §1815.

17 See, e.g., the Robert T. Stafford Disaster Relief Act of 1984, as amended in 1988, 42 U.S.C. §§5170, 5170b, 5191.

18 *Strategy for Homeland Defense and Civil Support*, pp. 5–6.

19 The Honorable David S. C. Chu, Under Secretary of Defense for Personnel and Readiness, and Thomas F. Hall, Assistant Secretary of Defense for Reserve Affairs, prepared witness statement before the CNGR, Hearing on Proposed Changes to the National Guard, December 13, 2006 ([www.cngr.gov/hearing121314/Chu-Hall%20Statement.pdf](http://www.cngr.gov/hearing121314/Chu-Hall%20Statement.pdf)), p. 11 (they were arguing against such use of DOD).



Commissioner Brownlee with Lt. Gen. Blum at January 2007 hearing.

nation of federal incident management activities, it is not clear that it would have the capacity to coordinate the response to such a catastrophic event.<sup>20</sup> Indeed, many knowledgeable experts flatly state that only DOD has that ability.<sup>21</sup> Terrorist attacks or natural disasters of greater magnitude than Hurricane Katrina are very real possibilities.<sup>22</sup> A major nuclear attack on a large metropolitan area or a Category 5 hurricane striking a large city would kill great numbers of people and cause enormous damage to property and infrastructure. If such an event occurs, it is likely that civilian government at some level will be unable to deal with the consequences. In some circumstances, until civilian government is able to do so, the only organization with the manpower, communications, and transportation capabilities sufficient to deal with the crisis will be the Department of Defense. In that case, DOD may be required to perform many of the functions

of civil government until the crisis is resolved and civilian government and the private sector are functioning.<sup>23</sup> While this and other nightmare scenarios have a low probability of occurring, their consequences are so severe that DOD must be prepared to respond to them. Such responses require advance planning, training, and coordination, which DOD should initiate now.

#### Recommendation:

2. Congress should codify the Department of Defense's responsibility to provide support for civil authorities. This statutory language should include the acknowledgment that responding to natural and man-made disasters in the homeland is a core competency of DOD, of equal importance to its combat responsibilities. Congress should also clearly state that DOD should be prepared to provide the bulk of the response to a major catastrophe that incapacitates civilian govern-

20 *National Response Plan* (2004), p. 9; *National Response Framework (Draft)*, p. 4.

21 See, e.g., Christine E. Wormuth, Michèle A. Flournoy, Patrick T. Henry, and Clark A. Murdock, *The Future of the National Guard and Reserves: The Beyond Goldwater-Nichols Phase III Report* (Washington, DC: Center for Strategic and International Studies, 2006), p. 65 ("it is also clear that in the event of a single catastrophic attack, or multiple, simultaneous events around the country, the military may be the only organization that can communicate, command, and control large numbers of assets across very large areas"); James Jay Carafano, Ph.D., Senior Research Fellow, Defense and Homeland Security, The Heritage Foundation, prepared witness statement before the CNGR, Hearing on Homeland Defense/Homeland Security, May 4, 2006 ([www.cngr.gov/hearing503-4/Carofano.pdf](http://www.cngr.gov/hearing503-4/Carofano.pdf)), pp. 6–7 ("In catastrophic disasters, tens-or-hundreds of thousands of lives are immediately at risk. State and local resources may well be exhausted from the onset and government leaders unable to determine or communicate their priority needs. . . . Having the military play a prominent role in the immediate response to catastrophic disasters makes sense. It would be counterproductive and ruinously expensive for other federal agencies, local governments, or the private sector to maintain the excess capacity and resources needed for immediate catastrophic response").

22 See, e.g., *Strategy for Homeland Defense and Civil Support*, p. 19: "The potential for multiple, simultaneous, CBRNE [chemical, biological, radiological, nuclear, and high-yield explosives] attacks on US territory is real."

23 "The Federal response to Hurricane Katrina demonstrates that the Department of Defense (DOD) has the capability to play a critical role in the Nation's response to catastrophic events. During the Katrina response, DOD—both National Guard and active duty forces—demonstrated that along with the Coast Guard it was one of the only Federal departments that possessed real operational capabilities to translate Presidential decisions into prompt, effective action on the ground. In addition to possessing operational personnel in large numbers that have been trained and equipped for their missions, DOD brought robust communications infrastructure, logistics, and planning capabilities" (*The Federal Response to Hurricane Katrina: Lessons Learned* ([Washington, DC: The White House], 2006), p. 54).

ment over a substantial geographic area and that DOD should initiate the necessary planning, training, and coordination for such events.

## B. INTEGRATING THE RESERVE COMPONENTS INTO HOMELAND OPERATIONS

### The Reserve Components in the Homeland

The United States armed forces are guided by the Total Force Policy. Under this policy, all components of the armed forces—active and reserve—act as a homogeneous whole. They are viewed as a single force when the Department considers the best way to meet national security requirements. As a result, the active and reserve components are not assigned distinct missions, but instead are assigned missions based on which unit is best able to fulfill specific national security requirements.<sup>24</sup>

The Total Force Policy ensures that active and reserve units are integrated into military strategy according to their capabilities, not on the basis of their being active or reserve. At the same time, this does not mean that the active and reserve components are interchangeable. Different components and units possess capabilities making them particularly useful for certain types of missions. One prominent example of this differentiation is found in homeland defense and civil support, as is recognized by the Department of Defense in its *Strategy for Homeland Defense and Civil Support*. In that document, the Department recommends a “Focused Reliance [on] the Reserve Components” for homeland defense and civil support missions. It further asserts that such reliance is not inconsistent with the total force policy.<sup>25</sup> At a Commission hearing, Assistant Secretary of Defense Paul McHale explained what this statement means:

we use the phrase “focus[ed] reliance” to indicate the obvious benefit . . . of using domestically-based reserve component capabilities, capabilities that are spread in reserve centers and National Guard armories throughout the United States—forward deployed if you will—to rapidly respond in an effective way to domestic missions, be they missions related to war fighting—and that is the defense of critical infrastructure—or consequence management after a natural or man-made disaster. It simply made sense to us to recognize the fact that we had a lot of trained personnel in military uniforms spread throughout the United States able to defend our nation and well-trained to do so.<sup>26</sup>

In contrast to the *Strategy for Homeland Defense and Civil Support*'s use of the phrase “focused reliance,” the White House report on Hurricane Katrina recommended that “the National Guard [and] other reserve components . . . should modify their organization and training to include a priority mission to prepare and deploy in support of homeland security missions.” The report went on to state that “the reserve components are too valuable a skilled and available resource at home not to be ready to incorporate them in any Federal response planning and effort. . . . [E]fforts

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24 Lieutenant General James L. Lovelace, Jr., Deputy Chief of Staff, G-3, United States Army, prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform, April 12, 2007 ([www.cngr.gov/hearing411-12/Lovelace%20CNGR%20testimony.pdf](http://www.cngr.gov/hearing411-12/Lovelace%20CNGR%20testimony.pdf)), pp. 2–3.

25 *Strategy for Homeland Defense and Civil Support*, p. 35.

26 Assistant Secretary McHale, testimony before the CNGR, Hearing on Homeland Defense/Homeland Security, transcript of May 3, 2006, (morning) hearing ([www.cngr.gov/hearing503-4/0509natguard1.pdf](http://www.cngr.gov/hearing503-4/0509natguard1.pdf)), p. 27. See also Wormuth et al., *The Future of the National Guard and Reserves*, p. 63: “Yet, although this strategy document outlines a number of areas where National Guard and Reserve forces could contribute to the protection of the homeland, it provides neither a detailed nor definitive statement of how. Almost five years after the September 11 attacks, it is still not clear how the Reserve Component should organize, train, and equip for homeland defense and civil support, and what priority it should place on these missions.”

should be made to leverage Reserve civilian skills in disaster relief efforts.”<sup>27</sup> In addition, the Center for Strategic and International Studies (CSIS) and the Rand Corporation have recently produced reports that emphasize the importance of the reserve components to emergency response.<sup>28</sup> In its 2006 report on the reserves, CSIS concluded that “it is clear that almost five years after the September 11 attacks, DoD has not done enough to leverage the considerable resources resident in the reserve components to enhance the nation’s preparedness and ability to respond to a catastrophic event.”<sup>29</sup> Regardless of how their role is described, there is a consensus that the reserve components are particularly well-suited to performing homeland missions and need to have a more central role in the Department of Defense’s homeland efforts.

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The reserve components—the National Guard and the Title 10 reserve components—consist of more than 1.1 million men and women based in almost 5,000 facilities throughout the United States and the U.S. territories.<sup>30</sup> The connections with their communities foster public support and trust for military members and this relationship can be indispensable when disaster strikes at home.

The National Guard’s experience, skill sets, and nationwide dispersal make it particularly well-suited for civil support operations. State emergency response is its most important

responsibility when it is not under federal control. National guardsmen often are the first military responders. Because of its unique, constitutionally designated status as both a state and a federal force, the National Guard is able to function as a key element of state emergency response, as a state responder and as a coordinator of the federal military and state response. For this reason, the National Guard has long experience in civil support missions. At a recent congressional hearing, Lieutenant General H Steven Blum, the Chief of the National Guard Bureau, noted that during 2006–07 alone, the states had more than “100,000 soldiers and airmen . . . supporting Homeland Security missions.”<sup>31</sup>

The Army National Guard is structured to provide large formation combat arms capabilities for overseas missions, as well as combat support and combat service support capabilities useful at home. The National Guard is not the only reserve component important to civil support. The other reserve components can also be expected to play major roles in future domestic missions. The U.S. Army Reserve, for example, is primarily made up of combat support and combat service support units—such as military police, civil affairs, and transportation—that are widely dispersed across the country and could be extremely valuable in emergency response.<sup>32</sup> The Rand Corporation has stated that “Army support personnel, currently units that are in abundance within the [Army Reserve], may

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27 *Federal Response to Hurricane Katrina: Lessons Learned*, p. 95.

28 Wormuth et al., *The Future of the National Guard and Reserves*, pp. 90–91; Lynn E. Davis, Jill Rough, Gary Cecchine, Agnes Gereben Schaefer, and Laurinda L. Zeman, *Hurricane Katrina: Lessons for Army Planning and Operations* (Arlington, VA: Rand, 2007), pp. 74–75 (focusing on the Army National Guard).

29 Wormuth et al., *The Future of the National Guard and Reserves*, p. 90.

30 Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA) Information Briefing, “Intro to RA FY 2006,” p. 5.

31 Lieutenant General Blum, prepared witness statement before the Senate Committee on Homeland Security and Governmental Affairs, Hearing on the Military’s Role in Disaster Response, 110th Cong., 1st sess., July 19, 2007, p. 2.

32 Lynn E. Davis, David E. Mosher, Richard R. Brennan, Jr., Michael D. Greenberg, K. Scott McMahon, and Charles W. Yost, *Army Forces for Homeland Security*, MG-221-A (Santa Monica, CA: Rand, 2004), p. 38.



be particularly useful for [domestic disaster relief] operations in the future.”<sup>33</sup> Other reserve components and members also have specialized capabilities, such as those in the emergency response field, that are vital to consequence management and exist only in the reserves.

The reserve components’ medical capability could also be of great value in a disaster response involving mass casualties. The services keep a significant amount of medical capability in their reserve components, and medical units are widely dispersed as well. The Army “maintains 60 percent of its medical capability in its reserve components” (30 percent in the Army National Guard and 70 percent in the Army Reserve); the Air Force, 58 percent (30 percent in the Air Guard and 70 percent in the Air Force Reserve); and the Navy, 41 percent in the Navy Reserve.<sup>34</sup> In the event of a catastrophic incident in the homeland requiring medical surge capacity, the reserve components should be an integrated capability in the military’s total force response.<sup>35</sup>

Reservists also bring to the homeland their civilian experience and knowledge of local conditions. Their knowledge of their communities adds to their effectiveness in homeland response. For example, during the response to Hurricane Katrina, National Guard responders supporting search-and-rescue operations successfully brought to bear their familiarity with local conditions to improve operations.<sup>36</sup> Despite this, there is “no comprehensive assessment of what [reserve component] assets exist, where they are located[,] . . . and which military service controls them,” as CSIS reported in July 2006.<sup>37</sup>

Of perhaps even greater concern is the speed with which reservists’ capabilities can be brought to bear to alleviate suffering and save lives and property. The results of the 2007 Ardent Sentry nationwide emergency preparedness and response exercise indicate that reserve mobilization for domestic crises may not be timely.<sup>38</sup>

**Finding:** Despite its directing a “focused reliance” on the reserve components for homeland defense and civil support, the Department of Defense has not taken sufficient steps to take full advantage of the National Guard and Reserves’ expertise in these areas.

**Finding:** The military, despite acknowledging that civilian skills are a reserve component core competency, has done little to take advantage of those skills for missions at home and abroad.



Adjutants General Rees, Valvala, and Umbarger at December 2006 hearing.

33 Davis et al., *Army Forces for Homeland Security*, pp. 56–57.

34 Gary Cecchine et al., *Triage for Civil Support: Using Medical Assets to Respond to Terrorist Attacks* (Arlington, VA: Rand, 2004), p. 9.

35 The Navy Reserve is integrated with the active duty Navy. There are no “Navy Reserve medical units,” only Navy units.

36 Senate Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina: A Nation Still Unprepared*, 109th Cong., 2nd sess., May 2006, pp. 432–33.

37 Wormuth et al., *The Future of the National Guard and Reserves*, p. 72.

38 *Ardent Sentry-Northern Edge 07 Exercise Summary Report*, North American Aerospace Defense Command and United States Northern Command, August 17, 2007, Attachment L, p. 9.



Two overarching points can be drawn from this discussion. First, a tremendous amount of homeland-related capability resides in the reserve components, which are present in communities throughout the nation. And second, there is a consensus that the reserves either should be or will in fact be heavily relied on for use in homeland operations. The Commission believes that DOD should take the reserve components' expertise in homeland operations and refine it so that they will become the backbone of future homeland operations. If DOD is to make civil support a core mission, its forces need to reflect that doctrine. The most efficient means to that end would be to amplify the current homeland capabilities present in the reserve components.

In doing so, the Department should not compromise the reserve components' ability to perform their warfighting responsibilities. First, it should utilize dual-capable forces as much as possible. And second, it should rebalance in order to ensure that those capabilities useful for civil support reside, where practicable, in the reserve components, and are readily accessible for civil support-related missions.

**Recommendation:**

3. Consistent with DOD's *Strategy for Homeland Defense and Civil Support*, homeland defense and civil support should continue to be total force responsibilities. However, Congress should mandate that the National Guard and Reserves have the lead role in and form the backbone of DOD operations in the homeland. Furthermore, DOD should assign the National Guard and Reserves homeland defense and civil support as a core competency consistent with their required warfighting taskings and capabilities.

## The Reserve Components and U.S. Northern Command

Paralleling the reserve components' increased role in the homeland is the need for U.S. Northern Command, like the rest of DOD, to more fully integrate the reserve components into its homeland mission.

NORTHCOM is the unified command with primary responsibility for homeland defense and civil support missions.<sup>39</sup> Joint Publication 3-26, "Homeland Security," reflecting the Unified Command Plan, describes its mission as "conduct[ing] operations to deter, prevent, and defeat threats and aggression aimed at the United States, its territories, and interests within the assigned area of responsibility (AOR) and as directed by the President or SecDef [Secretary of Defense], provide military assistance to civil authorities including [consequence management] operations. USNORTHCOM [is] . . . the single, responsible, designated DOD commander for overall command and control of DOD support to civil authorities within the USNORTHCOM AOR."<sup>40</sup> In practice, NORTHCOM views homeland defense, but not civil support, as its highest priority.<sup>41</sup>

NORTHCOM has few forces permanently assigned to it and provides defense support of civil authorities primarily through its subordinate and service-specific commands, such as Joint Task

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39 U.S. Southern Command and U.S. Pacific Command play similar roles for those parts of the homeland that fall within their area of operations (Joint Chiefs of Staff, "Homeland Security," pp. II-7 to II-11).

40 Joint Chiefs of Staff, "Homeland Security," pp. vii-viii.

41 General Victor E. Renuart, Commander, U.S. Northern Command, prepared statement before the Senate Homeland Security and Governmental Affairs Committee, Hearing on the Military's Role in Disaster Response, 110th Cong., 1st sess., July 19, 2007, p. 2.

Force Civil Support, Army North, and Air Force North.<sup>42</sup> NORTHCOM does not command National Guard forces in state or Title 32 status.

As already noted, DOD has not engaged the reserve components in the homeland mission in a manner that takes full advantage of their skills and experience. This shortcoming, along with the lack of a civil support budgeting and programming process, has been carried over into how NORTHCOM is organized. In its March report, *Strengthening America's Defenses in the New Security Environment*, the Commission concluded that "U.S. Northern Command does not adequately consider and utilize all military components—active and reserve, including the National Guard—in planning, training, and exercising and in the conduct of military operations while in support of a governor, in support of another lead federal agency, or in the defense of America."<sup>43</sup>

To more fully integrate the reserve components, the Commission recommended three changes in NORTHCOM law and policy.

First, the Commission recommended that

Because U.S. Northern Command is a command with significant responsibility for domestic emergency response and civil support, a majority of U.S. Northern Command's billets, including those for its service components, should be filled by leaders and staff with reserve qualifications and credentials. Job descriptions for senior leaders and other key positions at U.S. Northern Command should contain the requirement of significant Reserve or National Guard experience or service.<sup>44</sup>

In response, the Secretary of Defense agreed to review NORTHCOM billets to determine which could be better filled by National Guard and Reserve personnel.<sup>45</sup> The objective of this review would be to fill these billets with a significant number of reserve component personnel rather than a majority of them, as recommended by the Commission. NORTHCOM is currently studying senior leadership and other key positions at the command that it believes will require reserve component experience. The command is also determining how much reserve component experience is already present in its command and in its subordinate commands.<sup>46</sup> As our report is being produced, these studies are still under way.

Section 1821 of the 2008 National Defense Authorization Act also directs action to respond to the underutilization of the reserve components at NORTHCOM. The act tasks the Chairman of the Joint Chiefs of Staff with conducting a "review of the civilian and military positions, job descriptions, and assignments within the United States Northern Command with the goal of determining the feasibility of significantly increasing the number of members of a reserve component assigned to, and civilians employed by, the United States Northern Command who have experience in the planning, training, and employment of forces for homeland defense missions, domestic emergency response, and providing military support to civil authorities." The Chairman is directed to submit

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42 General Renuart, prepared statement, p. 2; "About USNORTHCOM," U.S. Northern Command Web site ([www.northcom.mil/About/index.html](http://www.northcom.mil/About/index.html)).

43 *Strengthening America's Defenses in the New Security Environment*, Second Report to Congress, March 1, 2007 ([Arlington, VA: Commission on the National Guard and Reserves], 2007), p. 80. See section III.D in that report, "U.S. Northern Command" (pp. 78–82), for a full discussion of this issue.

44 Recommendation #16 in *Strengthening America's Defenses in the New Security Environment*, p. 80.

45 Secretary Gates, "Implementation of the Recommendations from the Commission on the National Guard and Reserves," p. 1-2, attachment p. 1.

46 "USNORTHCOM Response to the Commission on the National Guard and Reserves (CNGR) Second Report," NORAD/NORTHCOM PowerPoint presentation, November 20, 2007, p. 9; Memorandum for the Record (MFR), Commission site visit to U.S. Northern Command, Peterson Air Force Base, CO, November 20, 2007.

the review within one year of the enactment of the NDAA. Within 90 days of that submission, the Secretary is to submit the results of that review and any recommended changes to Congress.<sup>47</sup>

While the Commission is pleased with §1821 and considers it to be progress, we continue to recommend that a majority of U.S. Northern Command's billets, including those for its service components, should be filled by leaders and staff with reserve qualifications and credentials. Job descriptions for senior leaders and other key positions at U.S. Northern Command should contain the requirement of significant Reserve or National Guard experience or service. In both cases, mere exposure to reserve issues alone should not qualify.

Second, the Commission recommended that "[e]ither the officer serving in the position of the commander or the officer serving in the position of deputy commander of U.S. Northern Command should be a National Guard or Reserve officer at all times."<sup>48</sup> The Secretary of Defense disagreed with this recommendation and recommended instead that procedures be established to ensure that National Guard and Reserve officers are considered for the most senior command and leadership positions, consistent with their qualifications.<sup>49</sup>



Delaware Governor Minner  
at June 2007 hearing.

Section 1824(b) of the 2008 National Defense Authorization Act mandates that unless the commander of NORTHCOM is a national guardsman, "at least one deputy commander" must be.<sup>50</sup> While the Commission considers this section to be a step forward, it has two important objections. First, §1824(b) fails to recognize that the Title 10 reserve components—such as the Army Reserve and the Air Force Reserve—have important roles in homeland defense and civil support, and therefore should receive the same consideration as the National Guard when a commander or deputy commander is selected. And second, §1824(b) opens the door to the creation of multiple deputies at NORTHCOM, which the Commission opposed in our March 1 report and continues to oppose. The Commission investigated whether providing multiple deputy commanders was advisable, and found that having more than one deputy would be unnecessary and a hindrance to effective command of NORTHCOM.<sup>51</sup> The Commission also wishes to make clear that this section, as it is currently written, should not be used as an excuse not to appoint a national guardsman or reservist as commander.

Finally, the Commission recommended that NORTHCOM develop plans for consequence management and support to civil authorities that account for state-level activities and incorporate the use of National Guard and Reserve forces as first military responders.<sup>52</sup> The Secretary of Defense agreed

47 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1821.

48 Recommendation #17 in *Strengthening America's Defenses in the New Security Environment*, p. 81.

49 Secretary Gates, "Implementation of the Recommendations from the Commission on the National Guard and Reserves," p. 1-2, attachment p. 3.

50 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1824.

51 See Recommendation #18 in *Strengthening America's Defenses in the New Security Environment*, p. 82, with discussion there.

52 *Strengthening America's Defenses in the New Security Environment*, p. 82.

with this recommendation, adding a modification to include active and reserve military responders and a requirement that the combatant commanders be familiar with state plans and resources.<sup>53</sup>

Nevertheless, the ultimate resolution of this issue, too, is still in doubt. NORTHCOM states that two of its civil support plans, Concept Plan 3501: Defense Support of Civil Authorities and Concept Plan 3500: CBRNE Consequence Management, take into account National Guard forces from the affected state as well as capabilities leveraged from neighboring states. It also maintains that it is working closely with states on developing their civil support planning further.<sup>54</sup> In addition, §1814 of the 2008 National Defense Authorization Act contains a provision that would require the Secretary of Defense to prepare a plan for coordinating the National Guard and other members of the armed forces in responding to natural disasters and terrorist events, such as those in the Homeland Security Council's National Planning Scenarios. This proposed plan would include input from NORTHCOM's commander and the Chief of the National Guard Bureau.<sup>55</sup> While the Commission believes this plan to be an important step forward, it does not believe sufficient progress has been made to date in implementing our March recommendation.

**Finding:** U.S. Northern Command still does not adequately consider and utilize all military components—active and reserve, including the National Guard—in planning, training, and exercising and in the conduct of military operations while in support of a governor, in support of another lead federal agency, or in the defense of America.

In addition, the National Guard and Reserves are also well-positioned to respond to events at the regional level, which historically has been overlooked in national response activities. Analysts at institutions such as the Rand Corporation and the Center for Strategic and International Studies have put forward two models for how regional response forces could be organized. Rand has proposed establishing regional response forces made up of National Guard units dedicated to and trained for homeland security and capable of rapid response. These units would also be organized around the 10 FEMA regions.<sup>56</sup> CSIS has proposed creating civil support forces, with the National Guard as their foundation but incorporating other reserve components, in each FEMA region. These units, drawn from dual-capable military forces, would have two main responsibilities. First, they would “lead National Guard planning, training, and exercising for civil support missions at the regional level. [Second, they would] provide a sizable operational response force that could deploy to an event within 12 to 24 hours; establish an initial command, control, and communications capability; provide initial reception, staging, onward movement, and integration services; and augment state and local first responders who are performing consequence management tasks.”<sup>57</sup>

**Finding:** As DOD begins to program and budget for civil support, it should take into account regional efforts at preparedness and response and should consider taking steps to keep pace with developments in other agencies.

The National Guard and the other reserve components are the most important elements of the Department of Defense for protecting the homeland. While DOD and other policy documents generally recognize this fact, they have not sufficiently clarified the role that the reserve components

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53 Secretary Gates, “Implementation of the Recommendations from the Commission on the National Guard and Reserves,” p. 1-2, attachment p. 1.

54 “USNORTHCOM Response to the CNGR Second Report,” November 20, 2007.

55 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1814. While §1814 refers to “the National Guard and members of the Armed Forces on active duty,” the Commission expects that planning will include capabilities residing in all the reserve components, not just the National Guard.

56 Davis et al., *Hurricane Katrina: Lessons for Army Planning and Operations*, pp. 54–55, 57.

57 Wormuth et al., *The Future of the National Guard and Reserves*, p. 74.



currently play and should play in the future. DOD needs to overcome its historic reluctance to put the National Guard and Reserves “in charge,” believing that the active components should control everything. Recognizing the role that the reserve components should play in the homeland will require DOD to augment the reserve components’ current capabilities for homeland missions and to assign them a leadership role in the homeland.

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As DOD makes civil support a core function and begins to budget and program for civil support, NORTHCOM must elevate civil support’s priority so that both it and homeland defense become core missions of the command. To that end, more must be done to integrate the reserve components into NORTHCOM.

NORTHCOM must incorporate personnel who have greater knowledge of National Guard and Reserve capabilities, strengths, and constraints and must assemble a cadre of experts on the intricacies of state and local government, law enforcement, and emergency response. Such knowledge currently resides in the National Guard and Reserves and, despite the Commission’s earlier recommendations, remains untapped and unintegrated, in disparate commands. A larger percentage of reservists on the staff and in key leadership positions, including in the position of commander or deputy commander, would provide NORTHCOM with greater insight into the unique skills and strengths available in the reserve forces. Increasing the numbers of members of the National Guard and Reserves within the service components of NORTHCOM would ensure that those preparing and coordinating homeland missions will consider the unique contributions of the reserve component.

**Recommendation:**

4. A majority of U.S. Northern Command’s billets, including those for its service component commands, should be filled by leaders and staff with reserve qualifications and credentials. Job descriptions for senior leaders and other key positions at NORTHCOM should contain the requirement of significant Reserve or National Guard experience or service. In addition, either the officer serving in the position of the commander or the officer serving in the position of deputy commander of NORTHCOM should be a National Guard or Reserve officer at all times.

## C. BUDGETING AND PROGRAMMING FOR CIVIL SUPPORT

As discussed earlier in this chapter, the Department of Defense has historically viewed civil support differently from its core warfighting mission, of which homeland defense is a part. DOD leads homeland defense missions, but provides civil support to other agencies leading homeland security or other similar missions. The Department of Defense views these civil support missions not as a core function but as “lesser included” missions—missions that are derivative of other functions, such as warfighting. As a result of this approach, with few exceptions DOD has not programmed or budgeted for civil support missions. Instead, it has performed them using units manned, trained, and equipped for core missions, such as combat.



The consequences of this approach have long been felt in how the Department of Defense has treated its responsibility to support other agencies and states in their homeland security mission.<sup>58</sup> Under current policy, DOD has not openly budgeted or programmed for this responsibility. In fact, Department of Defense Directive 3025.1 explicitly prohibits DOD from procuring or maintaining supplies, materiel, or equipment for providing support in civil emergencies.<sup>59</sup> To perform civil support missions, DOD has instead utilized equipment procured and personnel trained for warfighting-related missions.

A lack of a formal budgeting and programming process for civil support does not mean that DOD has done no preparation for its civil support missions. For instance, the National Guard Bureau (NGB) has attempted to ensure that the National Guard is prepared to perform its civil support responsibilities by identifying the “essential 10” warfighting capabilities inherent in National Guard units for Title 10 missions, and also essential for missions on the homeland.<sup>60</sup> DOD has used the 15 National Planning Scenarios prepared by the President’s Homeland Security Council—which contemplate natural and man-made catastrophes with high loss of life—to develop an understanding of which capabilities will be required to respond to the disasters.<sup>61</sup> U.S. Northern Command has “developed 25 pre-scripted mission assignments to respond to specific predetermined requests for assistance from designated lead agencies,” such as FEMA.<sup>62</sup> Congress authorized the creation of chemical, biological, radiological, nuclear, and high-yield explosives consequence management (CBRNE-CM) response forces, such as the weapons of mass destruction civil support teams (WMD-CSTs).<sup>63</sup> And DOD has created force packages to respond to domestic CBRNE events, such as the CBRNE Consequence Management Response Forces (CCMRFs) and, led by the NGB, CBRNE enhanced response force packages (CERFPs).<sup>64</sup>

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... the lack of a formal budgeting and programming process for civil support signals the absence of any comprehensive assessment of the Department's requirements for civil support.

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Despite this activity, the lack of a formal budgeting and programming process for civil support signals the absence of any comprehensive assessment of the Department’s requirements for civil support and how they should be balanced against its other priorities. In fact, as the Commission

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58 See, e.g., *National Strategy for Homeland Security* (2007), p. 50; *National Response Framework (Draft)*, p. 37; and *National Response Plan* (2004), p. ESF-v.

59 Department of Defense Directive 3025.1, “Military Support to Civil Authorities,” January 15, 1993, §4.4.8.2 (“The DoD Components shall not procure or maintain any supplies, materiel, or equipment exclusively for providing MSCA in civil emergencies, unless otherwise directed by the Secretary of Defense”).

60 National Guard Bureau, Office of Legislative Liaison, “National Guard Equipment Requirements: ‘Essential 10’ Equipment Requirements for the Global War on Terror,” February 26, 2007.

61 *National Planning Scenarios* ([Washington, DC: Homeland Security Council], 2005), p. ii. In its recent report on the Guard and Reserves, CSIS noted that DOD has not developed official civil support requirements reflecting the operational challenges posed by these scenarios (Wormuth et al., *The Future of the National Guard and Reserves*, p. 69).

62 General Renuart, prepared statement, p. 5.

63 Peter Verga, Acting Assistant Secretary of Defense for Homeland Defense and Americas’ Security Affairs, Department of Defense, prepared statement before the Senate Committee on Homeland Security and Governmental Affairs, Hearing on the Military’s Role in Disaster Response, 110th Cong., 1st sess., July 19, 2007, pp. 3–4.

64 Assistant Secretary Verga, prepared statement, pp. 4–6.

reported in March, there currently exists no process to generate civil support requirements.<sup>65</sup> The failure to take this critical first step in the budgeting and programming process is a major flaw in how DOD prepares for its civil support mission.<sup>66</sup> This judgment of the Commission should in no way be used as an excuse to delay or set back current efforts at funding and enhancing DOD civil support capabilities. The recommended changes should instead serve to build on those efforts currently under way.

Rather than viewing civil support as a derivative mission, the Commission recommended that DOD should begin to explicitly budget and program for it, just as it does for homeland defense.<sup>67</sup> In his May 10 response, Secretary Gates agreed with the Commission's recommendation and tasked the Department with drafting appropriate policy to put this recommendation into effect.<sup>68</sup>

**Finding:** The Department of Defense has historically viewed civil support as a derivative or "lesser included" mission and has not explicitly budgeted or programmed for it. The Department has now apparently changed its view and has demonstrated a willingness to change this approach.

Another defect in budgeting and programming for civil support is the lack of adequate interagency participation. This is demonstrated by the three major homeland security and civil support assessments that are currently under way.<sup>69</sup> First, DHS has drawn on the National Preparedness System (NPS) and Target Capabilities List (TCL) to develop an assessment system evaluating the preparedness of the state and federal government.<sup>70</sup> Such preparedness efforts are designed to maximize the nation's ability to respond under the National Response Plan and the successor to this emergency response plan, the National Response Framework.<sup>71</sup> Second, the National Guard Bureau is developing the Joint Capabilities Database, which will give each state "the ability to provide near-real-time input on unit status and availability [of its National Guard] in each [emergency response] capability area."<sup>72</sup> Finally, NORTHCOM is leading a "homeland defense and civil support capabilities based assessment [that will] provide detailed information on gaps in DOD's [homeland defense and civil support capabilities in order] to influence and inform decisions on managing risk and allocating resources."<sup>73</sup> The DHS, NGB, and NORTHCOM assessments are all at varying levels of maturity;

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65 CNGR staff interview with George Foresman, Under Secretary for Preparedness, Department of Homeland Security, November 17, 2006. Later, in response to a question from Chairman Punaro asking who is responsible for establishing requirements for civil support, Under Secretary Foresman stated that the "overall requirements in terms of the national preparedness goal and in terms of our national preparedness structure is a responsibility that's assigned to the Secretary of Homeland Security. But having said that, there are component pieces, such as military support to civil authorities—what we're going to [be] doing [in] the law enforcement arena, the public health arena—that are the domain of the relevant federal agencies who work with their counterparts [in DHS]" (testimony before the CNGR, Hearing on the Proposed Changes to the National Guard, transcript of December 13, 2006, hearing [www.cngr.gov/hearing121314/1213cngr-panel1.pdf], p. 54).

66 For a complete discussion of the DOD budgeting and programming process for civil support, see "The Defense Department's Role in the Homeland," section III.A of *Strengthening America's Defenses in the New Security Environment*, pp. 39–54.

67 *Strengthening America's Defenses in the New Security Environment*, p. 52.

68 Secretary Gates, "Implementation of the Recommendations from the Commission on the National Guard and Reserves," p. 1-2, attachment p. 4.

69 MFR, Commission site visit to U.S. Northern Command, November 20, 2007.

70 6 U.S.C. §744.

71 Homeland Security Presidential Directive 8 (December 17, 2003), §3; Homeland Security Presidential Directive 5 (February 28, 2003); *National Response Framework (Draft)*.

72 "National Guard 2008 Posture Statement: Joint Staff Overview," National Guard Bureau Web site (www.ngb.army.mil/features/2008PostureStatement/scherling.html).

73 "USNORTHCOM Response to the CNGR Second Report," p. 9.

none is yet complete.<sup>74</sup> Moreover, although the three studies should provide useful information, there appears to be no overarching strategy for translating these assessments into requirements.

While the NGB and NORTHCOM have critical roles in homeland security, the Department of Homeland Security, not DOD, is the lead agency in that area. As such, the Secretary of Homeland Security, acting through the Federal Emergency Management Agency, is the federal official tasked with the responsibility of coordinating national preparedness efforts.<sup>75</sup> A significant portion of this task lies in reconciling these assessments to prepare for and respond to emergencies, identifying the gaps between federal and state capabilities, and recommending programs and activities that could address such gaps.<sup>76</sup> This responsibility is assigned to the Secretary of DHS in Homeland Security Presidential Directive 8 (HSPD-8) and the Homeland Security Act of 2002, although legislation in 2006 transferred it to the newly reconfigured FEMA, an agency placed under DHS in 2002.<sup>77</sup>

As a result of its centrality in national preparedness efforts, DHS is the federal agency with the most comprehensive national perspective on the response capabilities present in federal, state, and local government. Therefore, it is the agency with the expertise and the responsibility to inform DOD of which capabilities the Department will be expected to provide in response to a catastrophe. DHS is in the best position to generate civil support requirements. Although DOD and DHS have worked together on planning, exercising, and other efforts such as NORTHCOM's pre-scripted mission assignments, DHS has not provided DOD with requirements for civil support.<sup>78</sup>

**Finding:** The Department of Homeland Security is responsible for generating civil support requirements. To date, it has not done so.

In its March 1 report, the Commission issued five recommendations regarding the Department of Defense's role in the homeland. Secretary Gates indicated in his May 10 response that he agreed with all five of the Commission's recommendations, some with modifications.<sup>79</sup> Since Secretary Gates issued his response, DOD's implementation of these recommendations has continued to evolve.

First, the Commission recommended:

The Secretary of Homeland Security, with the assistance of the Secretary of Defense, should generate civil support requirements, which the Department of Defense will be responsible for validating as appropriate. The Department of Defense should include civil support requirements in its programming and budgeting. In a new advisory role, the Chief of the National Guard Bureau should advise the U.S. Northern Command commander, the Secretaries of the Air Force and Army, and, through the Chairman of the Joint Chiefs of Staff, the Secretary of Defense regarding gaps between federal and state emergency response capabilities.<sup>80</sup>

74 MFR, Commission site visit to U.S. Northern Command, November 20, 2007.

75 6 U.S.C. §313. While current law designates FEMA as leading national preparedness efforts, it is a component of DHS. For that reason, this report will refer to DHS—the parent agency—rather than to its component FEMA as leading national preparedness efforts.

76 6 U.S.C. §741, et seq.

77 Homeland Security Presidential Directive 8; Public Law 107-296, *Homeland Security Act*, November 25, 2002; Public Law 109-295, *Department of Homeland Security Appropriations Act for Fiscal Year 2007*, October 4, 2006, §611; 6 U.S.C. §314.

78 Vice Admiral Richard Rufe, USCG (ret.), Director, Office of Operations Coordination, Department of Homeland Security, prepared statement before the Senate Committee on Homeland Security and Governmental Affairs, Hearing on the Military's Role in Disaster Response, 110th Cong., 1st sess., July 19, 2007, pp. 2–4.

79 Secretary Gates, "Implementation of the Recommendations from the Commission on the National Guard and Reserves," p. 1-2.

80 Recommendation #1 in *Strengthening America's Defenses in the New Security Environment*, p. 52.

The Commission also recommended that

The budget information for National Guard training and equipment for military assistance to civil authorities and other domestic operations should be included in appropriate sections of the Department of the Army and Department of the Air Force budget documents, respectively. There should not be separate budget documents for National Guard training and equipment for military assistance to civil authorities and other domestic operations.<sup>81</sup>

DOD concurs that civil support is a mission for which it must explicitly budget and program and that this process must be coordinated with DHS.<sup>82</sup>

Section 1815 of the 2008 National Defense Authorization Act tasks the Secretary of Defense, in consultation with the Secretary of Homeland Security, with determining the “military-unique capabilities” DOD will be expected to provide in support of civil authorities. It also tasks the Secretary of Defense with developing and implementing a plan for providing the funds and resources to maintain those and any additional capabilities needed for homeland defense and civil support.<sup>83</sup> The Commission believes that §1815 reflects the change proposed in the two March recommendations quoted above. We continue to emphasize that the Chief of the National Guard Bureau, in his new advisory role, should advise the Secretary of Defense, through the Chairman of the Joint Chiefs of Staff, and other participants in the process on the gaps between federal and state emergency response capabilities.<sup>84</sup>

Third, the Commission recommended that

The Department of Defense (including combatant commands and the National Guard Bureau) and Department of Homeland Security Headquarters should exchange representatives to improve the knowledge of National Guard and Reserve capabilities; to improve planning, training, and exercising; and to assist the Secretary of Homeland Security with generating requirements for military civil support missions. The Commission recommends that a plan to exchange personnel be developed and implemented by the Secretary of Defense and the Secretary of Homeland Security within 180 days. The Commission notes the urgency of this recommendation.<sup>85</sup>

In response, Secretary Gates stated that the Department will revise its memorandum of agreement with DHS on the exchange of personnel to enhance the two departments’ coordination on National Guard and Reserve matters. Among other things, the exchanged personnel would assist in validating requirements for federal civil support missions.<sup>86</sup>

As of the date of this report, the above recommendation remains to be implemented, despite its urgency: DOD and DHS have yet to revise their memorandum of understanding on the exchange of personnel it proposes.<sup>87</sup> The Commission continues to believe that DHS would benefit if it were to acquire more staff from the NGB and NORTHCOM (and other appropriate combatant commands). By enhancing DHS’s insight into the capabilities that DOD can bring to support DHS’s mission,

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81 Recommendation #5 in *Strengthening America’s Defenses in the New Security Environment*, p. 54.

82 “Commission on the National Guard and Reserves: DOD Implementation Plans in Response to SecDef Direction May 10, 2007,” Department of Defense, August 7, 2007, p. 1.

83 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1815.

84 *Strengthening America’s Defenses in the New Security Environment*, p. 52.

85 Recommendation #2 in *Strengthening America’s Defenses in the New Security Environment*, pp. 52–53.

86 Secretary Gates, “Implementation of the Recommendations from the Commission on the National Guard and Reserves,” p. 1-2, attachment p. 5.

87 “Commission on the National Guard and Reserves: DOD Implementation Plans,” p. 2; MFR, CNGR staff meeting with staff of OASD-HD&ASA, December 3, 2007.



such staff would greatly improve the federal government's capacity for preparedness and response. This perspective would be especially valuable in assisting DHS in its generation of civil support requirements for DOD. Similarly, assigning more DHS personnel to DOD would provide DOD with valuable information on what will be expected of it during civil support missions.

Fourth, the Commission recommended that

The Secretary of Defense and Secretary of Homeland Security should jointly submit an annual report to Congress on those civil support requirements generated by the Secretary of Homeland Security and those validated as well as funded by the Secretary of Defense, and the Chief of the National Guard Bureau should play a role in the preparation of that report as directed by the Secretary of Defense.<sup>88</sup>

Secretary Gates responded by agreeing that the Department of Defense and the Department of Homeland Security will submit an annual report describing those civil support requirements generated by the Secretary of Homeland Security and those validated and executed by the military departments. Secretary Gates also directed that this reporting be undertaken as a matter of policy, rather than waiting for Congress to establish it.<sup>89</sup> DOD and DHS intend to submit the first report to Congress in accordance with this recommendation by February 2008.<sup>90</sup>

Finally, the Commission recommended that

The commander of U.S. Northern Command should advocate for civil support requirements in the Department of Defense's capabilities development, requirements generation and validation, and programming systems. The military services should ensure that civil support requirements are included in their respective budget processes.<sup>91</sup>

In Secretary Gates's response, the Chairman of the Joint Chiefs of Staff—in coordination with the Under Secretary of Defense for Policy, the commander of U.S. Northern Command (and the commanders of Pacific and Southern Commands, as appropriate), and the Chief of the National Guard Bureau—was directed to immediately begin implementing a policy to advocate, through the Joint Requirements Oversight Council, for validated civil support requirements in DOD's capabilities development, requirements generation and validation, and programming systems.<sup>92</sup>



Commissioners Stockton and Stump  
at December 2007 hearing.

88 Recommendation #3 in *Strengthening America's Defenses in the New Security Environment*, p. 53.

89 Secretary Gates, "Implementation of the Recommendations from the Commission on the National Guard and Reserves," p. 1-2, attachment p. 5.

90 "Commission on the National Guard and Reserves: DOD Implementation Plans," p. 1; MFR, meeting with OASD-HD&ASA, December 3, 2007.

91 Recommendation #4 in *Strengthening America's Defenses in the New Security Environment*, p. 54.

92 Secretary Gates, "Implementation of the Recommendations from the Commission on the National Guard and Reserves," p. 1-2, attachment p. 1.



Although no formal civil support generation process has thus far been created, NORTHCOM has agreed to advocate for civil support requirements and has taken some limited steps to that end. The command has initiated an assessment of available homeland defense and civil support capabilities. It also hosted a conference to develop a coordinated resourcing and investment strategy to address future requirements for the reserve component's homeland defense and civil support missions.<sup>93</sup>

Defending the United States requires a “concerted national effort” that engages not only the federal government but states; localities; private, nonprofit entities; and individual citizens. In that effort, all elements of national power must be used.<sup>94</sup> Thus, to defend the United States, the Department of Homeland Security and the Department of Defense, as well as other agencies, must effectively coordinate their undertakings. A significant part of this coordination necessarily focuses on national preparedness.

The Commission believes that the responsibility for coordinating national preparedness should remain in the Department of Homeland Security. As part of this process, DHS should identify the specific gaps in preparedness that can best be filled by Defense Department civil support activities. It can define these gaps as requirements and submit them to DOD, which would then have the responsibility to validate those requirements it deems appropriate and feed them into its own programming and budgeting process.<sup>95</sup>

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... DOD has historically resisted accepting civil support as a mission for which it must program and budget, and DHS has thus far failed to sufficiently engage DOD in preparedness planning.

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This proposal would ensure that DHS retains its position as the federal agency responsible for coordinating national preparedness. It would also take advantage of DHS's nationwide perspective on preparedness. In addition, the proposal would make DHS responsible for identifying gaps in capabilities that can best be filled by DOD civil support, while giving DOD the responsibility to determine the best way to fill those gaps once the appropriate requirements have been validated. Thus DOD would have the flexibility to respond to DHS's requirements in a way that prioritizes them appropriately with DOD's other missions.

The Commission believes that the change that will be enacted by §1815 of the 2008 National Defense Authorization Act is fully consistent with its recommendations. The Commission wishes to emphasize, however, that DOD has historically resisted accepting civil support as a mission for which it must program and budget, and DHS has thus far failed to sufficiently engage DOD in preparedness planning. Moreover, this shift will require deep interagency cooperation between DOD, DHS, and other relevant agencies—and such cooperation has heretofore been extremely limited. For this new process to function effectively and improve the nation's preparedness and response capabilities, the Secretaries of Defense and Homeland Security in particular will need to demonstrate a continuing

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93 “USNORTHCOM Response to the CNGR Second Report,” p. 9.

94 See, e.g., *National Strategy for Homeland Security* (2007), p. 13: “The United States, through a concerted national effort that galvanizes the strengths and capabilities of Federal, State, local, and Tribal governments; the private and non-profit sectors; and regions, communities, and individual citizens—along with our partners in the international community—will work to achieve a secure Homeland that sustains our way of life as a free, prosperous, and welcoming America. In order to realize this vision, the United States will use all instruments of national power and influence—diplomatic, information, military, economic, financial, intelligence, and law enforcement—to achieve our goals to prevent and disrupt terrorist attacks; protect the American people, critical infrastructure, and key resources; and respond to and recover from incidents that do occur.”

95 The Commission believes that this reallocation of responsibilities will necessitate the revision of DOD Directive 3025.1, “Military Support to Civil Authorities.”

commitment to its successful implementation. Furthermore, the House and Senate committees of jurisdiction for the armed services, homeland security, and the interagency process must carefully monitor the performance of the departments in carrying out these new missions.

The Commission believes that ensuring that DOD is prepared to take on its civil support mission should go beyond just budgeting and programming. There are many capabilities currently present in the services that could be useful for civil support. In a 2003 memorandum titled "Rebalancing Forces," Secretary of Defense Rumsfeld directed the armed forces to "promote the judicious and prudent use of the Reserve components." Furthermore, in an effort to ease the burden placed on the Guard and the Reserves, the Secretary instructed the services to implement rebalancing initiatives in order to create a total force—a unified military integrating the active and reserve components—that is responsive to today's high operational tempo.<sup>96</sup>

Programming and budgeting for civil support is more than just a matter of adding resources: it also entails using more efficiently what DOD already has. As part of the requirements process, DOD should assess the capabilities present in the various components of the armed services and determine which could be used to fulfill civil support requirements. Once that determination is made, it should shift capabilities useful for state-controlled response to domestic emergencies to the National Guard, and shift capabilities in the National Guard that are not required for its state missions but are required for its federal missions either to the federal reserve components or to the active duty military. This rebalancing should be done without compromising the other responsibilities of the reserve components. It would ensure that civil support capabilities are, to the maximum extent possible, in the National Guard and that those capabilities mainly useful for federal missions are located in the Title 10 military.

**Recommendation:**

5. In accordance with §1815 of the 2008 National Defense Authorization Act, the Secretary of Homeland Security, with the assistance of the Secretary of Defense, should generate civil support requirements, which the Department of Defense will be responsible for validating as appropriate. DOD should include civil support requirements in its programming and budgeting. As part of this effort, DOD should determine existing capabilities from all components that could fulfill civil support requirements and rebalance them where appropriate (consistent with their other obligations), shifting capabilities determined to be required for state-controlled response to domestic emergencies to the National Guard, and shifting capabilities currently resident in the National Guard that are not required for its state missions but are required for its federal missions either to the federal reserve components or to the active duty military, as appropriate.

Should a catastrophic event occur, DOD will be expected to respond rapidly and massively. It therefore must be manned, trained, and equipped to do so. This effort should include ensuring that all forces assigned to domestic CBRNE consequence management are fully budgeted for, sourced, manned, trained, and equipped. Because the nation has not adequately resourced its forces designated for response to weapons of mass destruction, it does not have sufficient trained, ready forces available. This is an appalling gap, which puts the nation and its citizens at greater risk.

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96 Secretary of Defense Donald Rumsfeld, "Rebalancing Forces," memorandum for Secretaries of the Military Departments, Chairman of the Joint Chiefs of Staff and the Under Secretaries of Defense, July 9, 2003; on Web site of the Assistant to the Chairman for National Guard and Reserve Matters (<https://ca.dtic.mil/jcs/ngrm/tfp/SecRumsfeld-MemoonRebal.pdf>).

In accordance with Recommendation #5 and Recommendations #29 and #31 in Chapter IV, the Secretary of Defense should ensure that forces identified as rapid responders to domestic catastrophes are manned, trained, and equipped to the highest levels of readiness. In emphasizing this point, the Commission reiterates that the Department of Defense is a key element in responding to catastrophes.

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Because the nation has not adequately resourced its forces designated for response to weapons of mass destruction, it does not have sufficient trained, ready forces available. This is an appalling gap.

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**Recommendation:**

6. The Secretary of Defense should ensure that forces identified as rapid responders to domestic catastrophes are manned, trained, and equipped to the highest levels of readiness.

## D. PROVIDING GOVERNORS THE AUTHORITY TO DIRECT ALL MILITARY FORCES WITHIN THEIR STATE

As chief executives, governors bear the primary responsibility of protecting life and property within their state. Each also serves as the commander in chief of his or her state National Guard when it is not in federal service.<sup>97</sup> This authority originates in the Constitution and is consistent with current U.S. law and policy, which establishes that domestic incidents are managed at the lowest jurisdictional level possible and that lower jurisdictional levels are supported by additional response capabilities when necessary.<sup>98</sup>

Governors command their state's National Guard and frequently deploy it in response to domestic incidents, such as natural disasters or civil unrest. The President may also deploy federal or Title 10 military forces to a state as part of disaster response. Such a civil support operation is likely to be undertaken as part of a larger operation coordinated by DHS and its component FEMA.

Under existing procedures, if a major crisis occurs in a state where both federal and nonfederal (National Guard under state control) forces provide civil support, military assistance is coordinated in two ways. NORTHCOM controls the movement of Title 10 active and reserve forces into the state and maintains command and control over them through a joint task force. Simultaneously, the National Guard Bureau coordinates the movement of National Guard forces in Title 32 status; once they are in a state, they are commanded by the governor as if they were National Guard forces of

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97 "Congress shall have the power . . . to provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the states respectively, the appointment of the officers, and the authority of training the militia according to the discipline prescribed by Congress" (U.S. Const. art. I, §8, cl. 16). See, e.g., *National Response Framework (Draft)*, p. 18: "As a State's chief executive, the Governor is responsible for the public safety and welfare of the people of his or her State."

98 See, e.g., 42 U.S.C. §5170. See also *National Response Framework (Draft)*, p. 9: "Incidents must be managed at the lowest possible jurisdictional level and supported by additional response capabilities when needed. . . . Most incidents begin and end locally and are wholly managed at the community level. Many incidents require additional resources or support from across the community, and some require additional support from neighboring communities or the State. A few require Federal support. National response protocols recognize this and are structured to provide additional, tiered levels of support when there is a need for additional resources or capabilities to support and sustain the response and initial recovery. During large-scale events, all levels will take proactive actions to respond, anticipating resources that may be required."

that state.<sup>99</sup> This dual coordination leads to two separate chains of command for military forces in the state. One chain of command leads from Title 10 forces through NORTHCOM to the President, while another leads to the governor. Although the governor may request assistance from Title 10 military forces within the state, he or she does not have the authority to direct them.

**Finding:** There is no established process whereby governors can gain operational control over federal military assets within a state to respond to emergencies.

In our March 1 report, the Commission recommended that DOD should develop protocols that allow governors to direct the efforts of federal military assets responding to an emergency such as a natural disaster, and the grounds for endorsing such authority have not changed.<sup>100</sup> The Commission wishes to reemphasize the importance of this recommendation for several reasons.

First, allowing governors to direct the efforts of federal military forces responding to a disaster is consistent with the nation's approach to emergency management—that domestic incidents should be managed at the lowest level possible—and will promote unity of command.<sup>101</sup> Under the current approach, National Guard responders will be directed by the governor, while federal military forces within the state will be directed by the President through NORTHCOM through a joint task force. Allowing the governor to direct the efforts of all military forces within his or her state will prevent the confusion and error possible when two separate chains of command are present in the same operation. Unity of command, by which we mean the direction of the efforts of all military forces by one government official, is a time-honored principle of military doctrine.<sup>102</sup>

When federal military capabilities are needed to respond to an emergency, their involvement should not alter the fundamental approach to emergency management. That a particular capability needed for the response resides in a federal active duty or reserve unit should not impede its use to preserve life or property. In most instances, such federal military forces should operate under the direction of state officials.

Second, this reform can be accomplished with the expenditure of relatively little effort. As DOD develops its plans for civil support and consequence management, it can negotiate protocols with states that allow for the direction of Title 10 military forces by governors. These protocols



North Carolina Governor Easley  
at June 2007 hearing.

99 “National Guard Bureau Joint Staff Manual” [Draft] ([Arlington, VA: National Guard Bureau], 2004), p. M-8. States would also be able to use the Emergency Management Assistance Compact (EMAC) to obtain National Guardsmen from other states. But as the response to Katrina showed, the EMAC process is unworkable for the large-scale movement of troops; states therefore would be likely to rely instead on the NGB to coordinate the movement of troops (Senate Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina: A Nation Still Unprepared*, pp. 507–8).

100 For a complete discussion of this issue, see “The Role of States and Their Governors,” section III.B of *Strengthening America's Defenses in the New Security Environment*, pp. 55–65.

101 See note 98, above.

102 “Unity of command” is recognized as one of the nine “principles of war,” the “enduring bedrock of Army doctrine” (Department of the Army, “Operations,” Field Manual 100-5, June 14, 1993, pp. 2-4 to 2-6).



would include policies and procedures regarding the nature of the command relationship under which the troops will operate during particular contingencies. Procedures would be formalized before a crisis rather than devised in an ad hoc manner while lives and property are at stake—as happened after Hurricane Katrina. In addition, the Commission anticipates that these agreements will come into play only in extreme circumstances. Moreover, federal forces under the control of a governor would still be subject to constraints normally placed on the Title 10 military, such as Posse Comitatus restrictions on law enforcement.

Third, the development and use of these protocols are fully consistent with law and precedent. The President always exercises ultimate federal command authority over federal troops;<sup>103</sup> Title 10 forces cannot be formally turned over to a governor in all respects. However, there are established command relationships that would allow a National Guard officer to “command” Title 10 troops with the consent of both the President and the governor. With the agreement of the President, or of the President’s designee, an order would be issued placing the Title 10 forces under the operational or tactical control of the governor.<sup>104</sup> The President, as commander in chief, can assign a task force of active duty forces as a supporting command to a state military joint task force while retaining ultimate command authority over the federal forces.

In a disaster response, a military organization could be temporarily attached to another organization for operational or tactical purposes, with administrative control, including disciplinary authority, being retained by the parent organization. Such divisions between operational, tactical, and administrative control are commonplace in the military operating environment. If a Title 32 commander were exercising control over Title 10 forces, this division of authority would avoid the problem of requiring the Title 32 commander to exercise disciplinary (Uniform Code of Military Justice) authority over his or her Title 10 subordinates.

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If governors can be trusted to direct National Guard soldiers from their own state or from other states, then they can be trusted under similar circumstances to direct federal active and reserve component forces as well.

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One way to accomplish such an operation is through the use of dual-hatted commanders, who simultaneously hold ranks in the state National Guard and the federal, Title 10 military. They are therefore able to command both federal and state forces simultaneously.<sup>105</sup> The Commission finds that dual-hatting has been a useful tool in coordinating federal and state civil support missions and believes it should be expanded for use in appropriate circumstances.

Current military doctrine explicitly allows members of the United States armed forces to serve under the operational control of foreign commanders, with the President retaining ultimate command over U.S. forces.<sup>106</sup> If the command relationship with the President can be maintained while American troops are operating under the control of foreign commanders, we see no convincing reason that it cannot be maintained while troops are under the control of a state governor acting through the adjutant general.

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103 Joint Chiefs of Staff, “Unified Action Armed Forces (UNAAF),” Joint Publication 0-2, July 10, 2001, p. xv.

104 3 U.S.C. §301.

105 Joint Chiefs of Staff, “Homeland Security,” p. II-9.

106 “In all multinational operations, even when operating under the operational control (OPCON) of a foreign commander, US commanders will maintain the capability to report separately to higher US military authorities in addition to foreign commanders” (Joint Chiefs of Staff, “Joint Operations,” Joint Publication 3-0, September 16, 2006, p. II-5).



Analysts from the Rand Corporation discussed this issue in a 2007 report, *Hurricane Katrina: Lessons for Army Planning and Operations*. They noted,

When U.S. forces conduct multilateral operations that are led by foreign commanders, they are placed under the operational control of that commander. This issue was examined thoroughly in 1993 during the drafting of Presidential Decision Directive 25, Reforming Multilateral Peacekeeping Operations. During this deliberative process, each of the services, the joint staff, and the Office of the Secretary of Defense agreed that this type of arrangement preserved the federal chain of command and, therefore, was not a violation of existing federal statutes or military practices. Using the logic and rationale employed in PDD-25, there is no legal reason why federal forces could not be temporarily placed under the tactical control of individual states for a specific time, place, and mission.<sup>107</sup>

Governors routinely command National Guard troops from other states in disaster response. If governors can be trusted to direct National Guard soldiers from their own state or from other states, then they can be trusted under similar circumstances to direct federal active and reserve component forces as well. Nor is the assignment of active duty personnel to Title 32 National Guard commands novel. Federal law specifically authorizes that both enlisted members and commissioned officers may be detailed for duty with a state National Guard. In fact, Title 10 officers detailed in this fashion may accept a commission in the National Guard.<sup>108</sup>

Finally, while the Department of Defense has rejected this Commission proposal, it has not proposed a viable substitute.<sup>109</sup> The alternative currently under consideration by DOD involves authorizing “Combatant Commanders, when requested by a state governor and when conducting [Secretary of Defense]-directed missions under the [National Response Framework] and the Stafford Act, to provide direct assistance to the state authorities. It will also task various parties, including USNORTHCOM, with actions designed to institutionalize protocols regarding federal military assistance to state emergency responders” (emphasis in the original).<sup>110</sup> This proposal, still under development, may represent a step forward, but it does not solve the problem of having two separate chains of command operating within a state.

The 2008 National Defense Authorization Act does not explicitly endorse DOD’s developing protocols allowing governors to direct the efforts of federal military assets responding to emergencies, such as natural disasters.<sup>111</sup> In their Joint Explanatory Statement, however, the conferees approved of this recommendation, urging “the Secretary of Defense, as part of the response planning required by this provision, to address the nature of command relationships under which troops will operate during particular contingencies and ensure, as recommended by the Commission on the National Guard and Reserves, that necessary agreements are entered into as soon as practicable.”<sup>112</sup>

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107 Davis et al., *Hurricane Katrina: Lessons for Army Planning and Operations*, p. 66.

108 32 U.S.C. §315.

109 *Strengthening America’s Defenses in the New Security Environment*, p. 63; Secretary Gates, “Implementation of the Recommendations from the Commission on the National Guard and Reserves,” p. 1-2, attachment pp. 5-6.

110 “General Summary of Stakeholder Positions on Recommendations Made by the Commission on the National Guard and Reserves,” U.S. Northern Command, received December 3, 2007; MFR, meeting with OASD-HD&ASA, December 3, 2007.

111 See *Strengthening America’s Defenses in the New Security Environment*, p. 63.

112 Joint Explanatory Statement to Conference Report 110-477, on H.R. 1585, NDAA for FY 2008, p. 326.

**Recommendation:**

7. As part of its efforts to develop plans for consequence management and support to civil authorities, DOD should develop protocols that allow governors to direct the efforts of federal military assets responding to an emergency such as a natural disaster. This direction may be accomplished through the governor's use of a dual-hatted military commander.

Until 2002, 10 U.S.C. §12304 expressly restricted the Secretary of Defense from mobilizing the federal reserve components to execute the Insurrection statutes or “to provide assistance to either the Federal Government or a State in time of a serious natural or man-made disaster, accident, or catastrophe.” This restriction has subsequently been narrowed, allowing the Secretary of Defense to order a Title 10 reserve unit or member to active duty to provide assistance in responding to an emergency involving the use or threatened use of a weapon of mass destruction or “a terrorist attack or threatened terrorist attack in the United States that results, or could result, in significant loss of life or property.”<sup>113</sup> Using this authority, the President or Secretary of Defense can mobilize forces for an extended period of time.

The Commission believes that current mobilization authorities for federal reserve forces to respond to emergencies are insufficient and should be expanded. We further believe that the mobilization authorities for the Coast Guard Reserve present a good model. In his testimony before the Commission, Rear Admiral Kenneth T. Venuto of the Coast Guard testified that this authority increases the availability and accessibility of reservists to respond to domestic crises, especially when disaster is imminent.<sup>114</sup> Similar authorities should be adopted to provide service Secretaries the authority to involuntarily mobilize federal reserve components for up to 60 days in a four-month period and up to 120 days in a two-year period during or in response to imminent natural or man-made disasters.<sup>115</sup>

**Recommendation:**

8. Congress should amend the mobilization statutes to provide service Secretaries the authority to involuntarily mobilize federal reserve components for up to 60 days in a four-month period and up to 120 days in a two-year period during or in response to imminent natural or man-made disasters, similar to that employed to mobilize the Coast Guard Reserve under 14 U.S.C. §712.

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113 10 U.S.C. §12304. See Cecchine et al., *Triage for Civil Support*, p. 34.

114 Rear Admiral Venuto, prepared witness statement before the CNCR, Hearing on Homeland Defense/Homeland Security, May 3, 2007 ([www.cngr.gov/hearing503-4/Venuto.pdf](http://www.cngr.gov/hearing503-4/Venuto.pdf)), pp. 2–3.

115 14 U.S.C. §712.

### III. CREATING A CONTINUUM OF SERVICE: PERSONNEL MANAGEMENT FOR AN INTEGRATED TOTAL FORCE

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DOD's personnel management strategies and the laws, policies, and systems that support them were designed during the last century. They addressed the problems faced by the armed forces after World War II, in response to Cold War national security and force structure issues and to the demographics of the day. The 21st century presents a completely different set of challenges to planners focusing on our national security and on military manpower. They must recruit, train, and maintain a technologically advanced force in an era that will be characterized by ever-increasing competition for a shrinking pool of qualified individuals whose expectations about career paths and mobility are changing dramatically. It is essential that the nation recognize these new strategic and demographic realities by developing a personnel management strategy for the new century and by reforming laws, policies, and systems to effect it.

The reserve components' role in such a new strategy will be key. They will provide the flexibility to retain highly trained and skilled personnel who desire career mobility. They will remain a repository of increasingly essential skills that can be gained only in the civilian workforce. Their service in the operational force will be required in peacetime, and they will continue to provide a cost-effective means of ensuring that strategic requirements to meet a large wartime threat also are available.

The DOD phrase "continuum of service" appears frequently in testimony and documents, but with little concrete description of what might actually constitute such a continuum. As generally understood, a continuum of service would facilitate the seamless transition of individual reservists on and off of active duty to meet mission requirements and would permit different levels of participation by the service member over the course of a military career. In this report, the Commission makes specific, concrete recommendations on changes to law and policy required to bring about a true continuum of service. Two critical enablers of an enhanced continuum of service are a reduction in the number of reserve duty status categories and the implementation of an integrated pay and personnel system. Equally important, however, is an integrated personnel management system, also discussed in detail in this chapter.

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The environment in which the nation's military services, active and reserve, will compete for workers in the 21st century will differ in several significant respects from the environment of past decades.

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#### A. THE NEED FOR A NEW PERSONNEL MANAGEMENT STRATEGY

##### Megatrends in Personnel Management for the 21st Century

The environment in which the nation's military services, active and reserve, will compete for workers in the 21st century will differ in several significant respects from the environment of past decades. It will be shaped by a labor force that is growing more slowly, aging more rapidly, and changing more dramatically in its racial and ethnic composition; by the continuing rapid pace of technological change and economic globalization; by greater demand for educated, skilled workers; and by more flexible relationships between employers and workers.

## CREATING A CONTINUUM OF SERVICE: PERSONNEL MANAGEMENT FOR AN INTEGRATED TOTAL FORCE

In 2004, the Rand Corporation reported to the U.S. Department of Labor (DOL) that in the next 10 to 15 years, work in the United States would be shaped by a combination of demographic trends, technological advances, and economic globalization. Rand expects the U.S. workforce to continue to increase in size, but at a considerably slower rate, with a composition more proportionately balanced by age, sex, and race/ethnicity: “Slower workforce growth may make it more difficult for firms to recruit workers during periods of strong economic growth,” though this tendency could be counteracted by the entrance into the workforce in greater numbers of groups whose rates of participation have historically been relatively low.<sup>1</sup>

DOL’s own reports on the future of the nation’s labor force provide the projections on which analyses such as Rand’s are based. The statistics are highly revealing. Slower growth of the labor force and changes in its composition are found in Bureau of Labor Statistics (BLS) projections covering the 2004–14 decade. The predicted overall growth of 10 percent from 2004 to 2014 falls well below the 12.5 percent increase recorded in the previous decade. The number of workers in the 55-and-older group is projected to grow by 49.1 percent, nearly five times the growth forecast for the labor force overall, and to account for 21.2 percent of all workers. The number of workers between ages 16 and 24 is expected to decline, dropping from 15.1 percent of the labor force in 2004 to 13.7 percent in 2014. Prime-age workers, 25 to 54, are expected to drop from 69.3 percent of the labor force to 65.2 percent.<sup>2</sup>

The largest percentage increases in labor force composition will involve minority groups. The size of the Hispanic origin workforce is expected to increase 33.7 percent, to more than 25.7 million workers, by 2014, a number that would account for 15.9 percent of the labor force; the Asian workforce, while relatively small (about one-third the size of the Hispanic group), could grow 32.4 percent; the black workforce—accounting for 11.3 percent of the total 2004 workforce—could grow 16.8 percent. As a percentage of the total labor force, whites are projected to drop from 82.1 percent in 2004 to 80.2 in 2014.<sup>3</sup>

The growth rate for women workers is expected to continue to outpace the men’s rate—10.9 percent compared to 9.1 percent for the decade—but men will continue to outnumber women in the labor force of 2014, which is expected to be composed of about 86.2 million men and 75.9 million women.<sup>4</sup>

In a more recent look at the labor force covering a longer period, from 2005 to 2050, DOL found that the trends shown in the 2004–14 projections will likely carry through to the middle of the century. The aging of the population generally, and of the labor force specifically, is the major driver of change. By 2020, the median age of the labor force is expected to reach 42 years. The share of the labor force held by workers 55 and older is forecast to reach nearly 24 percent. Both the youth workforce and prime-age workforce are expected to decrease until 2020, and to grow very slowly after that.<sup>5</sup>

The movement of the baby boom generation out of the labor force during this period will contribute to the change in its racial and ethnic composition, as this group has a large share of white

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1 Lynn A. Karoly and Constantijn W. A. Panis, *The 21st Century at Work—Forces Shaping the Future Workforce and Workplace in the United States* (Santa Monica, CA: Rand, 2004), p. xiii.

2 “BLS Releases 2004–14 Employment Projections,” United States Department of Labor Press Release, USDL 05-2276, December 7, 2005.

3 “BLS Releases 2004–14 Employment Projections,” Table 4.

4 “BLS Releases 2004–14 Employment Projections,” Table 4.

5 Mitra Toossi, “A New Look at Long-Term Labor Force Projections to 2050,” *Monthly Labor Review*, November 2006, pp. 19–36.

non-Hispanics, particularly white non-Hispanic men.<sup>6</sup> White non-Hispanics, 69.6 percent of the workforce in 2005, are expected to account for only 51.4 percent by 2050.<sup>7</sup>

DOL foresees that the loss of older workers will result in the disappearance of much-needed skills and the loss of significant amounts of institutional knowledge.<sup>8</sup> Demographic change, especially the aging of the workforce and the impending mass retirement of the baby boom generation, is one of the key ongoing themes that human resource (HR) professionals believe will have the greatest influence on the U.S. workplace in the next decade, according to the most recent (2006) survey of HR professionals by the Society for Human Resource Management (SHRM).<sup>9</sup> The most critical demographic issues identified were the large number of baby boomers slated to retire at about the same time and the implications of this mass retirement for leadership, knowledge retention, and generational issues in the workplace.<sup>10</sup>

However, many predict that baby boomers will approach aging and retirement in a new way and may feel a need to stay in the workplace in some capacity. As HR experts noted in a 2005 report on trends, “As health care costs increase and those in retirement find it more difficult to pay rising health care costs, many may continue to work in order to retain health care. Trends in health care may therefore have a large impact on workforce demographics in the years to come.”<sup>11</sup>

**Finding:** Over the next several decades, U.S. employers will be competing for workers in a labor force that is growing more slowly than in the past and becoming older and more diverse. The retirement of the baby boom generation from U.S. workplaces in the decades ahead will challenge employers to prepare for the large-scale loss of skills, knowledge, and leadership.

Rand’s report to the Labor Department indicates that the pace of technological change “will almost certainly accelerate in the next 10 to 15 years”; moreover, “further technological advances are expected to continue to increase demand for a highly skilled workforce, to support higher productivity growth, and to change the organization of business and the nature of employment relationships.” According to Rand, “Rapid technological change and increased international competition place the spotlight on the skills and preparation of the workforce, particularly the ability to adapt to changing technologies and shifting product demand. Shifts in the nature of business organizations and the growing importance of knowledge-based work also favor strong, nonroutine cognitive skills. . . . Within this context, education and training become a continuous process throughout the life course involving training and retraining that continues well past initial entry into the labor market.”<sup>12</sup>

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“ . . . further technological advances are expected to continue to increase demand for a highly skilled workforce, to support higher productivity growth, and to change the organization of business and the nature of employment relationships.”

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6 Toossi, “A New Look at Long-Term Labor Force Projections to 2050,” p. 36.

7 Toossi, “A New Look at Long-Term Labor Force Projections to 2050,” p. 34.

8 Toossi, “A New Look at Long-Term Labor Force Projections to 2050,” p. 21.

9 Jennifer Schramm, *SHRM Workplace Forecast* (Alexandria, VA: Society for Human Resource Management, 2006), p. 9.

10 Schramm, *SHRM Workplace Forecast*, p. 10.

11 *SHRM Special Expertise Panels 2005 Trends Report* (Alexandria, VA: Society for Human Resource Management, 2005), p. 48.

12 Karoly and Panis, *The 21st Century at Work*, p. xiv.



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Many of these Rand findings are reflected in a recent DOL report that provides an overview of conditions and trends affecting the current labor market. According to “America’s Dynamic Workforce: 2007,” which describes several significant trends suggested by BLS’s 2004–14 projections, demand for a highly educated workforce is expected to continue, with nearly two-thirds of projected new jobs most likely filled by workers with some postsecondary education. Factors such as the rapid pace of technological change and the increased competition attending globalization are driving the demand for more highly educated workers. In the high-growth, high-wage job category, about 87 percent of new jobs are expected to be taken by workers with at least some college education. Most (63 percent) will likely be filled by workers holding at least a bachelor’s degree, and nearly one in four by workers with some postsecondary education—two-year community college academic programs, vocational certificates, or specialized formal training.<sup>13</sup>

**Finding:** The accelerated pace of technological change is creating a demand for a workforce that is better educated and more highly skilled. The need for workers who can keep pace with rapid technological development and with employers’ changing demands increases the importance of continuing education and training.

“A number of forces are facilitating the move toward more decentralized forms of business organization, including the transition away from vertically integrated firms toward more specialized firms that outsource noncore functions,” according to Rand’s report to the Labor Department.<sup>14</sup> Salaried positions that last a lifetime are expected to be replaced with less permanent jobs; with new approaches to office jobs, such as telecommuting; and with self-employment. “These arrangements may be particularly attractive to future workers who seek to balance work and family obligations,” or to disabled or older workers.<sup>15</sup> Rand reports that about one in four U.S. workers is already in some nontraditional employment relationship, and that rapid technological change and competitive market pressures may make such work practices even more common.<sup>16</sup>

DOL sees technological advances and continually changing competitive conditions leading to higher rates of job change by individuals. The latest data indicate that the average worker born in the later years of the baby boom changed jobs 10.5 times between ages 18 and 40, with nearly three-fifths of these jobs held by age 25. Frequent job changes mean relatively short tenures of employment, and thus older workers generally stay in jobs longer than younger workers. In January 2006, the median tenure for workers ages 55 to 64 was 9.3 years; for those ages 25 to 34, it was 2.9 years.<sup>17</sup>

The variety of employment arrangements available to workers is another dimension of the dynamism of the labor market, DOL reports. In 2005, about two-thirds of American workers worked full-time year-round, but a significant percentage worked full-time for part of the year, part-time for the entire year, or part-time for part of the year.<sup>18</sup>

According to Rand’s analysis, the more flexible employment relationships of the future will heighten the importance of having fringe benefits that are portable across jobs or independent of jobs.<sup>19</sup> SHRM experts expect greater flexibility in workplace practices and in the design of benefit packages, with employers and employees developing individualized employment arrangements and orga-

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13 U.S. Department of Labor, “America’s Dynamic Workforce: 2007,” August 2007, pp. 24–25.

14 Karoly and Panis, *The 21st Century at Work*, p. xv.

15 Karoly and Panis, *The 21st Century at Work*, p. xv.

16 Karoly and Panis, *The 21st Century at Work*, pp. xxxiii–xxxiv.

17 DOL, “America’s Dynamic Workforce: 2007,” p. 27.

18 DOL, “America’s Dynamic Workforce: 2007,” p. 28.

19 Karoly and Panis, *The 21st Century at Work*, p. xv.

nizations providing more information up front on diversity and development programs and on possible career paths.<sup>20</sup>

**Finding:** The current movement toward more decentralized, less vertically integrated business organizations is expected to be accompanied by a shift away from permanent lifetime jobs to more fluid and flexible working relationships. U.S. workers are changing jobs more frequently and staying in those jobs for shorter periods, and average job tenure is significantly shorter for younger workers than for older workers. The expected growth of more flexible, nontraditional working relationships will increase the importance of flexible and portable benefit packages for workers.

Human resource professionals recognize that they will be challenged in the future to provide opportunities for advancement and growth to a workforce comprising distinct generations working side by side.<sup>21</sup>

Neil Howe and William Strauss, who for the past two decades have been producing generational biographies of America, argue that “generations shaped by similar early-life experiences often develop similar collective personae and follow similar life trajectories,” and that these generational patterns “are strong enough to support a measure of predictability.”<sup>22</sup> They believe that over the next 20 years, the nation’s social mood will be shaped by the Boom Generation (born 1943–60), Generation X (born 1961–81), the Millennial Generation (born 1982 to roughly 2005), and the Homeland Generation (born roughly 2005–25), and they describe what impact they expect these generations to have on the workplace and economy. Of the first three, they note:

- Many Boomers reaching the traditional retirement age will remain involved in the working world. They have neither saved as much nor been as well insured by their employers as their predecessors, and they expect that their large numbers will force cuts to be made in the benefits they receive through public programs such as Social Security and Medicare. “Rather than aging as institutional fixtures, elder Boomers will try to become consultants and independent contractors, working remotely to maintain a self-sufficient lifestyle.”<sup>23</sup>
- Entering midlife, Gen Xers are expected to retain their reputation for alienation and disaffection but will search for greater security in their families and jobs than did their Silent Generation parents (i.e., those born 1925–42). In business, they will be effective at pushing efficiency and innovation. “Even as mature workers, Gen Xers will want to be free agents—negotiating their own deals, seeking incentives ranging from commissions to options, and switching employers at a moment’s notice.”<sup>24</sup>
- Millennials beginning their careers will experience the vagaries of a globalizing labor market and jobs without benefits and security. They are expected to be more confident, trusting, and teachable in the workplace than were previous generations, but they will also be viewed as more pampered, risk averse, and dependent. Businesses are expected to respond “by building a more ordered work environment with clearer lines of authority and supervision and a greater number of team projects. Nonmonetary benefits will

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20 SHRM *Special Expertise Panels 2005 Trends Report*, pp. 48–49.

21 SHRM *Special Expertise Panels 2005 Trends Report*, p. 52.

22 Neil Howe and William Strauss, “The Next 20 Years: How Customer and Workforce Attitudes Will Evolve,” *Harvard Business Review*, July–August 2007, Reprint R0707B, p. 2.

23 Howe and Strauss, “The Next 20 Years,” p. 8.

24 Howe and Strauss, “The Next 20 Years,” pp. 8–9.

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increase as young workers put a higher premium on job security” and decide against taking high-risk paths to advancement.<sup>25</sup>

Human resource experts expect that some “veteran generation” members will continue to be present in future workplaces in varying numbers, that boomers will be working longer for various reasons, and that Generation X will be competing with the workers coming behind it for positions of responsibility. In their view, numerous aspects of work life—approaches to communication and learning, training, employee benefits, and motivation, among others—will have to be fine-tuned to meet each group’s needs, and ongoing generational diversity training will be essential.<sup>26</sup>

An example of how generational differences may shape the workplace of the future surfaced in the most recent annual conference held by HrGOV, an organization that brings together senior federal human resource, learning, training, and leadership executives from different agencies to collaborate and share ideas. The issues discussed included a House of Representatives amendment to then-pending energy legislation that would aggressively push telework options for federal employees. According to several conference participants, the extent to which telecommuting has been adopted and supported has depended on individual managers’ comfort with the technology involved and with the notion of supervising employees remotely. One participant observed that for an older generation, telework is “kind of not good enough,” whereas a younger generation that has grown up with iPods and cell phones questions why a certain task can only be done “sitting at a particular desk in a particular place at a particular time.”<sup>27</sup>



USD(P&R) Chu and ASD-RA Hall  
at December 2006 hearing.

**Finding:** The future workforce will be composed of distinct generations having distinct traits, motivations, and expectations. Employers will have to be attentive to generational differences in all aspects of their working relationships with employees.

### DOD Initiatives

#### *The Gates Commission Report*

*The Report of the President’s Commission on an All-Volunteer Armed Force*, submitted to President Nixon in 1970 by the Gates Commission (named for its chairman, Thomas Gates, a former Secretary of Defense), called for a transition to an all-volunteer military force supported by sweeping changes in DOD’s personnel management system. Included among the recommendations were increases in compensation for special skill sets, a unified salary system to replace the basic pay and allowance system, and a new retirement system designed to retain personnel with valuable skills and experience.<sup>28</sup> The commission recommended relaxing terms of enlistment, offering enlistees a wider

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25 Howe and Strauss, “The Next 20 Years,” pp. 10–11.

26 SHRM *Special Expertise Panels 2005 Trends Report*, pp. 52–53.

27 Alyssa Rosenberg, “HR Specialists Note Generation Gap in Telework Acceptance,” *Government Executive.com*, September 17, 2007 ([www.govexec.com/dailyfed/0907/091707ar1.htm](http://www.govexec.com/dailyfed/0907/091707ar1.htm)).

28 *The Report of the President’s Commission on an All-Volunteer Armed Force* (New York: Macmillan, 1970), pp. 60–62.

choice of military occupations, and allowing lateral entry by civilians possessing skill sets needed by the military.<sup>29</sup>

### *Defense Science Board Report*

Thirty years after the Gates Commission report, a task force established by the Defense Science Board to examine DOD's human resources needs and recommend a strategy for the future identified three overarching issues: "The American public is increasingly less involved with and less inclined to serve in the Department of Defense. A strategic plan is needed for future human resources requirements for a fully integrated DOD force. The Department does not have the authority and tools necessary to integrate the management of its human resources."<sup>30</sup> In addressing these issues, the task force adopted four principles: "Government personnel should pursue only those tasks that are essential to the business of governing. Military personnel should be involved in those tasks that only the military can do, recognizing that there are some functions in which both military and civilian personnel should be involved. Civilian personnel should perform all other government tasks. The private sector should be called on to support those functions that it can do best."<sup>31</sup>

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"The Department does not have the authority and tools necessary to integrate the management of its human resources."

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The task force recommended that DOD "establish a strategic human resources plan encompassing all elements of the total force: military, civilian, and private-sector personnel." The plan would forecast human resource needs and personnel inventories expected to be available; specify overarching goals, policies, and resources; propose necessary changes in legislation and directives; and develop the necessary management tools to meet the specified goals.<sup>32</sup>

Declaring that the plan should identify the tools necessary to size and shape the total force, the task force recommended that DOD "develop force-shaping tools that are appropriate for the 21st century." Recommendations affecting military personnel called on DOD to

- Move to a more seamless integration of active and reserve components with a single, integrated personnel and logistics system.
- Shift military personnel from general support to direct combat and combat support.
- Constitute a task force to study and develop a plan that will merge, over time, the Army and Air Force reserve units with their respective National Guards.
- Focus on attracting and retaining the needed military personnel who are motivated and qualified to serve and lead.
- Effectively explain to the force why today's diverse military operations are essential to the nation's security and are the proper business of the military, and explain how such operations contribute to the development of individual leaders and warriors.
- Institute changes and provide the resources necessary to meet recruiting and retention goals and reduce training base and first-term attrition.

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29 *The Report of the President's Commission on an All-Volunteer Armed Force*, pp. 64–66.

30 *The Defense Science Board Task Force on Human Resources Strategy* (Washington, DC: Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, [2000]), p. vi.

31 *DSB Task Force on Human Resources Strategy*, p. vii.

32 *DSB Task Force on Human Resources Strategy*, p. ix.

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- Place added emphasis on improving quality of life, overcoming problems with job satisfaction and retention, and strengthening commitment to service.
- Restructure the pay system to further emphasize pay for performance and skills.
- Modify the “up or out” requirement for selected skilled personnel.
- Continue to reform the retirement system to provide earlier vesting, a 401(k)-type option, benefit portability, and different service lengths and retirement points depending on military needs.<sup>33</sup>

In its February 2000 report, the task force stated that temporary adjustments to DOD’s policies and practices to meet current critical shortfalls would not be sufficient. “A sustained transformation in the character and management of the human element of the force is crucial,” it declared, “one that keeps pace with the rapid changes in the national security environment and in society at large.”<sup>34</sup>

**Finding:** An assessment of DOD’s human resources strategy by the independent Defense Science Board in 2000 called for force-shaping tools appropriate for the 21st century, including a single, integrated personnel and logistics system for active and reserve components; a pay system that places greater emphasis on pay for performance and skills; modification of the “up or out” requirement for personnel with selected skills; and continued reform of the retirement system to provide earlier vesting, a 401(k)-type option, benefit portability, and varying service lengths and retirement points.

*Report of the Defense Advisory Commission on Military Compensation (DACMC)*

In May 2005 Secretary of Defense Donald Rumsfeld appointed an advisory commission, chaired by Admiral Donald L. Pilling, USN (retired), to “identify approaches to balance military pay and benefits in sustaining recruitment and retention of high-quality people, as well as a cost-effective and ready military force.”<sup>35</sup> In its April 2006 report, DACMC identified a number of shortcomings in the current military compensation system, noting that “deferred and ‘in kind’ compensation comprise a much higher proportion of total compensation in the military system than is generally found in the private sector, and trends in the military system are widening the difference.” DACMC criticized the current military retirement system as “a remnant of a draft-era force structure” that impeded force management.<sup>36</sup>

To evaluate possible changes to the current system, DACMC adopted a set of guiding principles:

1. *Force management.* Changes to the compensation system should be linked to force management objectives.
2. *Flexibility.* The compensation system should be able to adjust quickly to changes in circumstances affecting the supply and demand for personnel in general and for specific skills.

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DACMC criticized the current military retirement system as “a remnant of a draft-era force structure” that impeded force management.

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33 DSB Task Force on Human Resources Strategy, pp. x–xii.

34 DSB Task Force on Human Resources Strategy, p. xiii.

35 *The Military Compensation System: Completing the Transition to an All-Volunteer Force* ([Washington, DC: Defense Advisory Committee on Military Compensation], 2006), transmittal letter, n.p.

36 *The Military Compensation System*, pp. 2–3.



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3. *Simplification.* A change that simplifies the compensation system, rather than one that makes it more complex, difficult to manage, or difficult to understand, is preferred.
4. *Systems approach.* A change in compensation should consider all the implications for incentives and force staffing in both the active and reserve components.
5. *Choice, volunteerism, and market-based compensation.* Where possible, preferences of individual members should be considered in making policy, and compensation should support policies that consider member preferences and provide choice.
6. *Efficiency.* Proposed compensation changes should be “efficient” in that, of alternative ways to meet the objectives associated with the proposed change, the least costly way should be chosen.
7. *Cost transparency and visibility.* The full costs, over time, of proposed changes to the compensation system should be clear.
8. *Leverage.* Where possible, compensation improvements should leverage existing benefits in the civilian or other sectors of the economy, rather than crowd them out.
9. *Fairness.* Commitments should be honored and any changes to those commitments should be freely entered into by mutual agreement between the services and the members.<sup>37</sup>

The Commission agrees that these principles, particularly the focus on improving force management,<sup>38</sup> form a sound basis for evaluating both personnel management and pay and benefit changes. These principles are reflected in the Commission’s recommendations in this chapter and in Chapter V.

**Finding:** The Defense Advisory Committee on Military Compensation highlighted achieving force management objectives as an important criterion for assessing system change.

### *Total Force Transformation*

The Quadrennial Defense Review of 2006 stated that DOD “must effectively compete with the civilian sector for high-quality personnel. The transformation of the Total Force will require updated, appropriate authorities and tools from Congress to shape it and improve its sustainability. Two key enablers of this transformation will be a *Human Capital Strategy* for the Department, and the application of the new National Security Personnel System to manage the Department’s civilian personnel.”<sup>39</sup>

*Defense Human Capital Strategy (DHCS).* The 2006 QDR stated that DOD’s Human Capital Strategy would be based on “an in-depth study of the competencies U.S. forces require and the performance standards to which they must be developed. . . . Advancements, awards and compensation may then be linked to an individual’s performance rather than to longevity or time-in-grade.”<sup>40</sup> The QDR established a single Program Executive Office (PEO) responsible for management of the Strategy “as a major defense program.”<sup>41</sup> In its charter, the PEO is charged with developing “joint human capital strategic initiatives deemed critical to delivering strategic and operational Total Force capability as required by the current and long-term National strategy, including consideration of potential threats of an uncertain and distant future.”<sup>42</sup> The charter calls for “[d]eeper analysis and evaluation of current systems with respect to both emerging requirements and their

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37 *The Military Compensation System*, pp. xvii–xviii.

38 *The Military Compensation System*, p. xvii.

39 *Quadrennial Defense Review Report* ([Washington, DC: Department of Defense], 2006), p. 76.

40 *Quadrennial Defense Review Report* (2006), p. 80.

41 *Quadrennial Defense Review Report* (2006), p. 80.

42 Department of Defense, “Defense Human Capital Strategy Program Executive Office Charter,” 2006, p. 1.

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existing patchwork environment,” and acknowledges that “[m]any expert observers, analysts, and practitioners of manpower and personnel policies in the DoD believe that the time is overdue for considering substantial reengineering of the entire range of MPT [manpower, personnel, and training] functions.”<sup>43</sup>

The guidance for the PEO’s strategy development includes near-, intermediate-, and long-term goals.

Near term (5 years or less):

- Support USD (P&R) [Under Secretary of Defense for Personnel and Readiness] in developing legislative and regulatory proposals deemed necessary to improve DoD MPT processes throughout the Total Force;
- Examine the feasibility of a prototype database of individual competencies for meeting joint operational requirements during contingencies;
- Coordinate activities with other ongoing efforts, such as the Quadrennial Review of Military Compensation (QRMC) and the Commission on the National Guard and Reserves.

Intermediate term (5 to 20 years):

- Develop a set of activities that support the long-range QDR vision and a coherent framework for implementing the DHCS Roadmap;
- Coordinate with planning cells within the Military Services, Joint Staff, and Combatant Commanders (COCOMs) in order to forecast possible future occupational competency requirements based on the QDR vision of evolving future missions that will necessitate changes in current recruiting, training, assignment, and career management;
- Where appropriate, develop proposals for evaluation and experimentation to assess initiatives that support the QDR.

Long term (20 to 50 years):

- In collaboration with relevant agencies and institutions, establish a common vision for strategic human resources management that runs from the near term to the long term future (mid-century);
- Based on this strategic human resources framework, outline a strategy for research, discovery, and planning of cross-agency and DOD-wide concern;
- Ensure that the long term human resources framework is based on Military Service missions and preserves both Service strengths and cultures, while providing the capabilities and competencies that the COCOMs will require for the future;
- Coordinate and integrate in a collaborative spirit ongoing Military Service efforts in research and planning that are relevant to or may affect the long term strategic human resources framework;
- Develop methods and processes to better encapsulate the diverse capabilities and skill sets of the current Total Force to provide a baseline for any gap analysis against the long term human resource requirements.<sup>44</sup>

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43 DOD, “Defense Human Capital Strategy PEO Charter,” p. 2.

44 DOD, “Defense Human Capital Strategy PEO Charter,” p. 3.

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**Finding:** The Defense Human Capital Strategy launched in the 2006 Quadrennial Defense Review to develop near-, intermediate-, and long-term joint human capital strategic initiatives acknowledges that changes to the entire range of DOD manpower, personnel, and training functions are long overdue.

*National Security Personnel System (NSPS).* The National Defense Authorization Act for Fiscal Year 2004 authorized DOD to work with the Office of Personnel Management (OPM) on developing and implementing a modern and flexible human resource system for civilian employees.<sup>45</sup> The National Security Personnel System, designed to replace a DOD civilian system created a half-century ago, is based on three core concepts: accountability, which makes employees responsible for career and performance, salary increases and bonuses; flexibility, which requires a simplified and adaptable management system that places the right people in the right jobs at the right time; and results, which link employee performance and contribution to achieving organizational goals and DOD's critical mission.<sup>46</sup>

The proposed regulations governing NSPS were published February 14, 2005; in the 30-day public comment period that followed, DOD received 58,538 comments ranging from overall rejection of the regulations to enthusiastic acceptance. Many of the comments were from national labor organizations (of which DOD has 43) and their members. Almost 80 percent of the comments were form letters expressing general opposition to the regulations; 41 different form letters accounted for 43,714 of the comments.<sup>47</sup>

Final regulations for NSPS, published November 1, 2005, in the *Federal Register*, include descriptions of major components of the system.

- *Pay and classification.* The goal is a more flexible support structure that will help attract skilled, talented workers; retain and appropriately reward current employees; and create opportunities for civilians to participate more fully in the total integrated workforce. A pay banding structure replaces the current pay and classification systems. With broad pay bands, DOD expects to move employees more freely across a range of work opportunities without being bound by narrowly described work definitions.
- *Performance management.* NSPS uses a multilayer system that distinguishes levels of employee performance; the system links employee achievements, contributions, knowledge, and skills to organizational results, and allows DOD to better recognize and support team contributions and accomplishments.
- *Staffing, employment, and workforce shaping.* The goal is to have the flexibility necessary to streamline the hiring process and adapt quickly to critical mission needs while retaining principles of the merit system and veterans' preference. DOD will be able to use direct-hire authority when there are severe shortages or critical needs. A new reduction-in-force system places more emphasis on performance.
- *Adverse actions and appeals.* The goal is to streamline and simplify adverse actions and appeals procedures without compromising due process. Employees will continue to receive notice of proposed adverse actions, the right to reply, and the right to appeal to the Merit Systems Protection Board. NSPS retained the higher of two existing burdens

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45 Public Law 108-136, *National Defense Authorization Act for Fiscal Year 2004*, November 24, 2003, §1101.

46 Department of Defense, National Security Personnel System, "HR Elements for Managers, Supervisors, and Employees: A Guide to NSPS," Spiral 1, Version 3, p. 5 ([www.cpms.osd.mil/nsps/docs/HRMSE.pdf](http://www.cpms.osd.mil/nsps/docs/HRMSE.pdf)).

47 Department of Defense and Office of Personnel Management, "Department of Defense Human Resources Management and Labor Relations Systems; Final Rule," *Federal Register*, November 1, 2005, pp. 66121–22.

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of proof to establish actions involving unacceptable performance or misconduct—“preponderance of evidence” rather than “substantial evidence.”

- *Labor–management relations.* The goal is to balance DOD’s mission needs and the meaningful involvement of employees and their representatives. NSPS regulations revise management’s rights and duty to bargain. Collective bargaining is prohibited on critical matters such as procedures observed in making work assignments and deployments, but the Secretary has the discretion to elect to bargain in order to advance the accomplishment of DOD’s mission or promote organizational effectiveness. If the Secretary does not elect to bargain, consultation is required.<sup>48</sup>

The implementation plan for NSPS calls for approximately 700,000 eligible DOD employees to transition to NSPS in phases or “spirals.” The first spiral, launched in April 2006, included about 110,000 non-bargaining-unit employees. Following refinements of the system based on assessment of the first spiral, spiral 2 will begin transitioning additional employees in 2008, and approximately 75,000 employees are expected to transition by early spring.<sup>49</sup>

NSPS was intended to be fully operational and to demonstrate success prior to November 2009,<sup>50</sup> but implementation has been slower than projected. One complication has been a suit brought by federal employee unions challenging the system’s rules governing labor–management relations and adverse actions and appeals. While the suit was pending (the U.S. Court of Appeals for the District of Columbia has ruled in DOD’s favor), the implementation of NSPS was concentrated on its human resource elements—pay and classification, and performance management.<sup>51</sup>

Mary Lacey, program executive officer for NSPS, reported recently that the transition of bargaining-unit employees to the new system will not happen soon and would be largely dependent on the outcome of House–Senate negotiations on the 2008 National Defense Authorization Act legislation, which contained provisions that would take away funding or repeal portions of NSPS.<sup>52</sup> The legislation that passed did, in fact, state that the system shall “not apply to any prevailing rate employees” and shall “ensure that employees may organize, bargain collectively, and participate through labor organizations of their own choosing in decisions which affect them.” It also called for a performance management system that incorporated a “pay-for-performance evaluation system to better link individual pay to performance, and provide an equitable method for appraising and compensating employees.”<sup>53</sup>

**Finding:** While the transition to the National Security Personnel System has been more difficult than anticipated, its goals—to increase accountability, improve flexibility, and implement results-oriented pay and personnel systems—are aimed at producing a civilian workforce that is more highly skilled, better integrated with the total force, and more responsive to critical mission needs.

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48 DOD and OPM, “Department of Defense Human Resources Management and Labor Relations Systems; Final Rule,” pp. 66119–20.

49 Brittany R. Ballenstedt, “Pentagon to Add 75,000 Employees to New Personnel System,” *Government Executive.com*, October 31, 2007 ([www.govexec.com/dailyfed/1007/103107b2.htm](http://www.govexec.com/dailyfed/1007/103107b2.htm)).

50 DOD and OPM, “Department of Defense Human Resources Management and Labor Relations Systems; Final Rule,” p. 66120.

51 Information on NSPS implementation provided by Joyce Frank, Chief of Legislation and Public Affairs, NSPS, in a telephone interview, September 20, 2007.

52 Ballenstedt, “Pentagon to Add 75,000 Employees to New Personnel System.”

53 House Report 110-477, Conference Report to accompany H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, 110th Cong., 1st sess., December 6, 2007, §1106.

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*Naval Personnel Demonstration Project.* A demonstration project conducted at the Navy's China Lake installation between 1980 and 1994 produced the kinds of improvements in personnel management that continue to be sought by DOD. In the first personnel demonstration project under Title VI of the Civil Service Reform Act of 1978, which authorized the Office of Personnel Management to establish and evaluate such projects,<sup>54</sup> the naval research and development laboratories at China Lake were allowed to increase their control over classification, pay, and other personnel matters affecting 10,000 scientists, engineers, technicians, administrators, technical specialists, and clerical staff. The goal was to improve recruitment and retention of high-quality workers and to increase management flexibility. Classification was simplified and delegated to managers, pay increases with broad pay bands were linked closely to performance ratings, and starting salaries were made flexible.

Two of the naval laboratories served as test sites, two others as control sites. After assessing annual attitude surveys, standardized on-site interviews, workforce data, and other documents provided by the labs, OPM declared the demonstration a success. OPM reported, "Simplified delegated job classification . . . has drastically reduced the time for classification actions and reduced conflict between personnel and managers. Average salaries have increased two to three percent under the pay banding. Recruitment, retention and reduced turnover of high performers and increased turnover of low performers have all improved. Perceived supervisory authority over classification, pay and hiring increased, as did employee satisfaction with pay and performance management; more than 70 percent of employees are supporting the demonstration system."<sup>55</sup>

**Finding:** After a 14-year demonstration project at the Navy's China Lake laboratories, in 1994 the Office of Personnel Management concluded that giving individual facilities greater control over classification, pay, and other personnel matters can improve the performance and management of DOD personnel.

*Navy Human Capital Strategy.* The Department of the Navy is pursuing a human capital strategy designed to be responsive to the requirements of the National Defense Strategy and the 2006 QDR, and sensitive to changes in demographics that will have an impact on future personnel needs. In testimony before the Subcommittee on Military Personnel of the House Armed Services Committee, the Chief of Naval Personnel, Vice Admiral J. C. Harvey, Jr., clearly recognized the challenges to the Navy inherent in the projections by the Labor Department and others of the future population and labor market changes that have been described above:

Major demographic shifts, reflecting an influx of new immigrants and growth in minority populations, will require that we focus on the talent resident in the diversity of our population and how we gain access to that talent. To the degree that we represent our nation, we are a far stronger, more relevant Navy Total Force. A stronger economy, with low unemployment and positive economic growth, means there will be greatly increased competition for the best talent in our nation. Recruiting the Total Force will become even more challenging with slower overall population growth and an aging workforce. The dynamics of retention have shifted from long-term commitments to a new generation, most of whom expect to change employers, jobs and careers several times in their working life, and are clearly motivated differently than previous generations. They have more choices than ever before, and are more technologically savvy. They expect innovative and

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54 United States Office of Personnel Management, "A Status Report on Personnel Demonstration Projects in the Federal Government," December 2006, p. 4; 5 U.S.C. §4703.

55 Peter Schirmer et al., *New Paths to Success: Determining Career Alternatives for Field-Grade Officers* (Santa Monica, CA: Rand, 2004), p. 57, table A.3.



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flexible compensation policies, a commitment to continuing education and professional development opportunities.<sup>56</sup>

The Department of the Navy 2007 Human Capital Strategy lists seven strategic goals in support of the strategic objective of producing and employing the right people with the right skills, at the right time and place, and at the best value, to support or accomplish 21st-century naval missions.

Three of the goals are focused on personnel:

- *Deepening the workforce's commitment to mission accomplishment and warfighting excellence.* This will be achieved, in part, by leveraging new advances in information technology, human performance technology, and human sciences research to better match people to careers and jobs.
- *Building intellectual capital by creating an environment that supports lifelong learning and individual growth opportunities.* Comprehensive planning and greater investment in training, education, and career opportunities are expected to help cultivate the talents of Navy personnel. Individual development programs are one element of this effort.
- *Creating a realistically affordable compensation system.* Compensation policies must motivate an all-volunteer workforce, and members must perceive their compensation to be fair and equitable, with exceptional performance rewarded appropriately. Policies must address cash and noncash rewards, benefits, and other elements that people value. High-quality medical care is recognized as an important benefit.

Four are focused on managing those personnel:

- *Recruiting the right number and mix of individuals for the total naval force.* Navy requirements will be met by military and civilian personnel, contractors and volunteers. People-focused initiatives will improve career development, job fulfillment, and quality of service. Individuals selected will be adaptable to changing requirements. To support this goal, accession processes must be flexible and timely.
- *Managing the total workforce through an aligned and integrated human capital management system.* Current systems and methods will be assessed to ensure that investments produce personnel support systems that empower individuals and minimize transaction costs. Navy human capital management systems must be able to communicate and integrate with systems in other services and in DOD to facilitate more joint operations.
- *Using workforce planning and utilization tools to shape and manage the total naval force.* Strategic workforce planning must be embedded in enterprise planning processes. Strategies must be in place and tools utilized to collect and properly analyze workforce data so that force-shaping options can be evaluated.
- *Providing opportunities for transition between different career avenues at different stages of life.* Historically, the



Panel of DOD witnesses at April 2007 hearing.

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<sup>56</sup> Vice Admiral Harvey, prepared statement before the Subcommittee on Military Personnel of the House Armed Services Committee, 110th Cong., 1st sess., February 15, 2007, pp. 3–4.

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personnel management model programmed people to separate and retire according to rigid rules and practices, often without a strategy for capturing their vital skill sets. The system envisioned would provide on-ramps and off-ramps at different phases of service. It would permit individuals to transition to their “next career” at the right time and on good terms, and would provide multiple opportunities to move between statuses without compromising opportunities, compensation, or lifestyle.<sup>57</sup>

The Navy intends to divest itself of activities and functions no longer relevant to its core mission. As a rule, it will contract out functions determined to be nongovernmental. “Functions that are determined to be inherently governmental will be divided into three categories—those that should be carried out solely by civilians, those that can be performed either by military personnel or by civilians, and those that require performance by military personnel alone. For those functions that could be performed by military personnel or by civilians, the National Security Personnel System will provide the flexibility and performance incentives to assign civilians to these positions.”<sup>58</sup>

**Finding:** In its 2007 Human Capital Strategy, the Department of the Navy recognizes that it must be responsive to expected growth in minority populations, more intense competition for talented personnel, slower population growth, an aging workforce, and a new generation of workers that expects flexible compensation policies and opportunities for continuing education and professional development.

**Conclusion Three:** Current law and policy still reflect a Cold War–era vision of the employment of valuable military manpower assets and do not adequately support an operational 21st-century force. A new integrated personnel management structure is needed to provide trained and ready forces to meet mission requirements and to foster a continuum of service for the individual service member.

**Recommendation:**

9. DOD should develop a personnel management strategy for a modern military workforce that is diverse, technologically skilled, and desires flexible career opportunities. Key components of this strategy must include an integrated total force that provides opportunities for those who choose a civilian career, as well as ease of transition between differing service commitments; personnel management policies that promote retention of experienced and trained individuals for longer reserve or active careers; and maximum use at all levels of the skills and abilities acquired from civilian experience. Congress must support this strategy with changes to statute where required.

The Commission finds the need for dramatic change, based on the research and studies cited above, to be compelling. The recommended changes that follow are designed to improve overall force management, foster an integrated total force, and help DOD remain competitive in recruiting and retaining a top-quality 21st-century force. If implemented, these recommendations would be a major step toward making a continuum of service a reality rather than a buzzword.

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<sup>57</sup> Department of the Navy, “Human Capital Strategy: Building and Managing the Total Naval Force,” 2007, pp. 13–16.

<sup>58</sup> Department of the Navy, “Human Capital Strategy” (2007), p. 18.

## B. TIME- VERSUS COMPETENCY-BASED PROMOTION CRITERIA

The 2006 *Quadrennial Defense Review Report* states: “The Department’s *Human Capital Strategy* may be considered ‘competency-focused’ and ‘performance-based.’” It further notes that “advancements, awards, and compensation may then be linked to an individual’s performance rather than to longevity or time-in-grade” and that “the Department’s career advancement philosophy should foster innovation by encouraging career patterns that develop the unique skills needed to meet new missions,” including the opportunity “to serve on long-term assignments in key strategic regions of the world rather than assuming the traditional career path of multiple, short-term assignments.”<sup>59</sup>

Unfortunately, the current up-or-out personnel management system does little to facilitate the QDR’s vision. Up or out has been criticized in a number of studies as a Cold War–era relic, out of sync with 21st-century manpower needs. The 2000 Defense Science Board Task Force report, for example, noted that “while the ‘up-or-out’ system served the country well during the Cold War era—a period in which the services required large, relatively youthful forces—it may not serve the country well in the future for certain specialties. Changes in technology will increase requirements for experienced operators and maintainers of complex equipment and will reduce the need for youth and vigor in parts of the force. Improvements in health and longevity will have the same effect. Continued difficulties in, and rising costs of, attracting new recruits will also increase the need to keep some experienced personnel longer.” The task force recommended developing a pay-for-performance system, not tied to promotion, like that used by many private-sector employers.<sup>60</sup> It concluded that “flexible systems that allow for different career patterns, compensation expectations, education, training and motivations in different occupations are essential” and proposed amending the Defense Officer Personnel Management Act (DOPMA) “to increase flow between the active and Reserve components throughout a military career and modify the ‘up or out’ system.”<sup>61</sup>

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Up or out has been criticized in a number of studies as a Cold War–era relic, out of sync with 21st-century manpower needs.

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Others have been even more pointed in their criticism. In a September 2005 speech on the transition to the information age, delivered before the Dwight D. Eisenhower National Security Conference, Representative Ike Skelton, who at the time was the ranking member of the House Armed Services Committee, told his audience:

Most importantly, this career timeline model, with all the gates officers must hit in a certain sequence in a certain time to remain competitive for promotion, must be seriously reviewed. It is tyranny. . . . [I]t takes longer to develop the required expertise at each level—but we don’t see recognition of that in today’s compressed career timelines. A flexible pay system, not rigidly linked to rank, could properly compensate people throughout their service life and reduce the fiscal pressures soldiers feel to get promoted. This would buy them the time they need to truly master their profession at each level.<sup>62</sup>

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59 *Quadrennial Defense Review Report* (2006), p. 80.

60 *DSB Task Force on Human Resources Strategy*, p. 72.

61 *DSB Task Force on Human Resources Strategy*, pp. 79–80.

62 Representative Ike Skelton, closing address at the Dwight D. Eisenhower National Security Conference, September 28, 2005, Washington, DC ([www.au.af.mil/au/awc/awcgate/skelton/pr050928.htm](http://www.au.af.mil/au/awc/awcgate/skelton/pr050928.htm)).

## Background

The up-or-out policy was enacted in statute in the Officer Personnel Act of 1947 to replace a strict seniority system that had been criticized as having a “pernicious effect on the readiness of senior military leadership at the outbreak of World War II.”<sup>63</sup> General George C. Marshall had to convene a “plucking board” to remove officers considered unfit for command, and General Dwight Eisenhower testified before Congress “that ‘not over five’ of the Army officers available to command divisions and corps at the start of the war served in World War II.”<sup>64</sup> Up or out was enacted to address these specific troubling conditions.

Decades later, after several years of hearings, Congress updated the 1947 statute by passing the Defense Officer Personnel Management Act of 1980.<sup>65</sup> Like its predecessor, DOPMA requires the involuntary separation or retirement of officers not selected for promotion to the next highest grade. The Reserve Officer Personnel Management Act (ROPMA) of 1994,<sup>66</sup> which updated the Reserve Officer Personnel Act of 1954, was based on DOPMA. ROPMA similarly provides a mandatory selection board process, as well as component-specific processes such as position vacancy boards.

The up-or-out policy has been controversial from the beginning. It was challenged in the original 1947 Senate Armed Services Committee hearing as “wasteful and illogical for the technical services.”<sup>67</sup> The 1976 Defense Manpower Commission report noted that the policy caused morale problems and personnel turbulence.<sup>68</sup> In 2001, the U.S. Commission on National Security/21st Century, better known as the Hart-Rudman Commission, argued that “retention in the Services is a growing problem in part because the triple systems of ‘up-or-out’ promotion, retirement, and compensation do not fit contemporary realities.”<sup>69</sup> In addition, numerous scholarly papers arguing against the up-or-out system have been written by individual officers over the years.<sup>70</sup>

**Finding:** The DOD “up or out” promotion system was codified in 1947 to address specific problems that had been observed at the outbreak of World War II. In recent years, it has been criticized by numerous studies and experts as inflexible and as a Cold War-era relic.

## The DOPMA Framework

Currently, under DOPMA law and policy, officers are “in zone” to be considered by selection boards for promotion at certain “time” or years-of-service points during their career. The House Armed Services Committee report accompanying DOPMA prescribed desirable “flow points,” which define the period of time when service members would be in zone for promotion consideration: “to O-4, 10 years active commissioned service (YCS) +/- 1 year; to O-5, 16 YCS +/- 1 year; to O-6, 22 YCS +/- 1 year.” These flow points are provided in DOD instructions, as are desirable minimum promo-

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63 Schirmer et al., *New Paths to Success*, p. 3. The act is Public Law 381, 80th Cong., 61 Stat. 795.

64 General Marshall and General Eisenhower, quoted in Schirmer et al., *New Paths to Success*, pp. 3–4, 4.

65 Public Law 96-513, December 12, 1980.

66 Title XVI, Public Law 103-337, *National Defense Authorization Act for Fiscal Year 1995*, October 5, 1994.

67 Senator Guy Cordon, quoted in Schirmer et al., *New Paths to Success*, p. 3.

68 Defense Manpower Commission, *Defense Manpower: The Keystone of National Security: Report to the President and the Congress* ([Washington, DC: Defense Manpower Commission], 1976), p. 261.

69 *Road Map for National Security: Imperative for Change: The Phase III Report of the U.S. Commission on National Security/21st Century* ([Washington, DC]: U.S. Commission on National Security/21st Century, 2001), p. 103.

70 For examples of such papers, see Schirmer et al., *New Paths to Success*, p. 3.

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tion opportunities by pay grade also contained in the 1980 House report.<sup>71</sup> If twice non-selected for the next highest grade, or “failed of selection,”<sup>72</sup> the officer is subject to involuntary separation or retirement—forced to move “up or out.” If the service needs to retain the officer to meet billet or skill requirements, an officer failed of selection may be permitted by a selective continuation board to remain;<sup>73</sup> but he or she nonetheless bears the stigma of the label “failed of selection” despite possessing knowledge, skills, and abilities that may be required by the service. Anecdotal reports suggest that many officers retire, if eligible, following the first time they fail of selection, rather than face the prospect of a second failure.

In order to pass through the promotion gates prescribed in DOPMA law and policy, an officer today must follow a highly structured career path—with specific assignment and education tickets that must be punched within specific time frames in order to be positioned for promotion. An example of a Navy surface warfare officer career path is provided in Figure III.1: it epitomizes the career path filled with multiple, short-term assignments discussed in the 2006 QDR report. It would be difficult for most officers, however competent and highly skilled, to undertake a long-term, key strategic area assignment as envisioned in the QDR’s Human Capital Strategy without missing one or more of the critical career path gates that must be traversed to remain competitive. A Rand study describes the current officer management system as “time-based.”<sup>74</sup>

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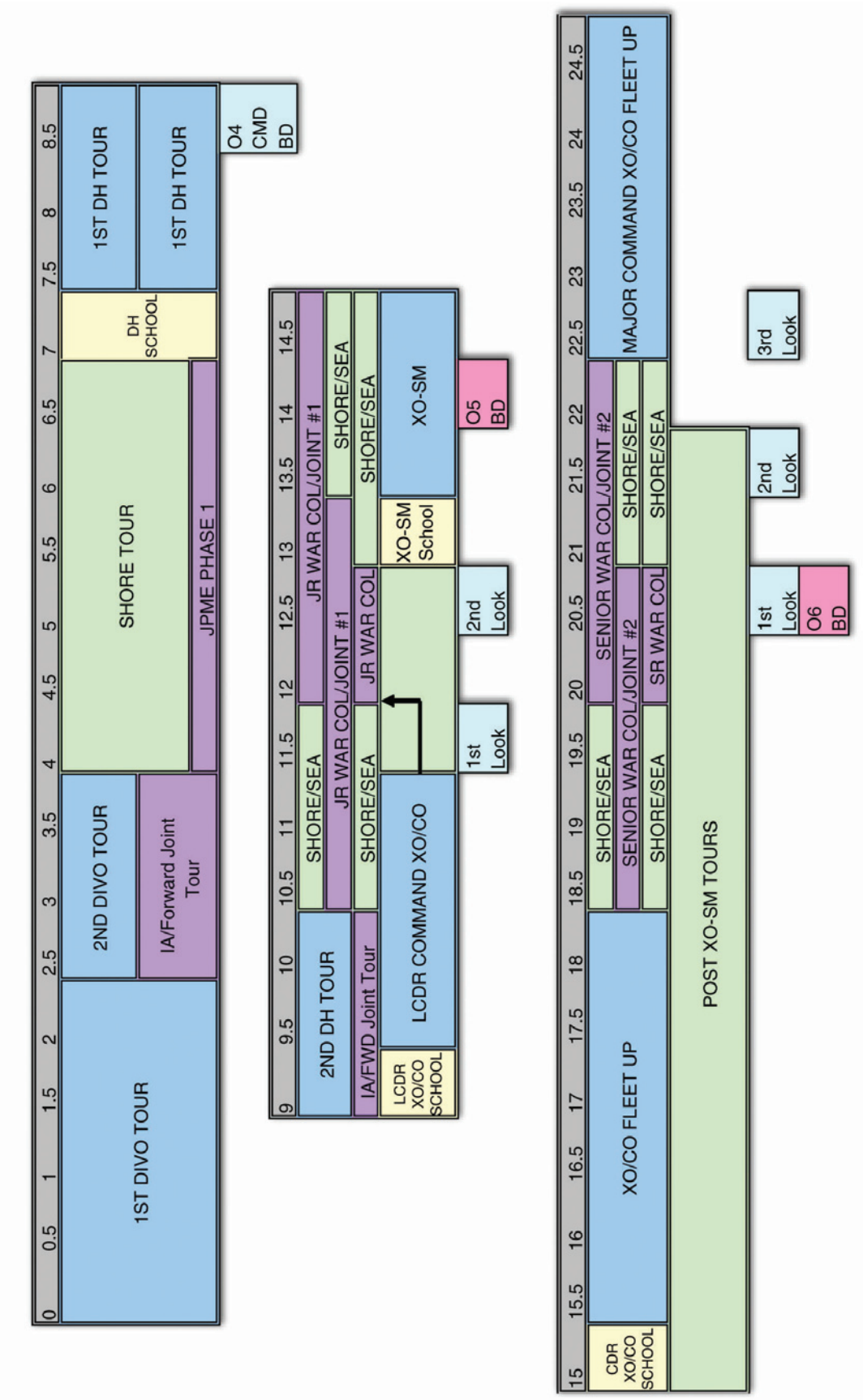
71 Peter Schirmer, Harry J. Thie, Margaret C. Harrell, and Michael S. Tseng, *Challenging Time in DOPMA: Flexible and Contemporary Military Officer Management* (Santa Monica, CA: Rand, National Defense Research Institute, 2006), p. 11.

72 10 U.S.C. §627.

73 10 U.S.C. §637.

74 Schirmer et al., *Challenging Time in DOPMA*, p. 9.





Source: Navy Personnel Command, [www.npc.navy.mil/NR/ronlyres/B8F953F9-FEE2-4C1F-A973-B73F34614A86/0/FTS1117CareerPath.ppt](http://www.npc.navy.mil/NR/ronlyres/B8F953F9-FEE2-4C1F-A973-B73F34614A86/0/FTS1117CareerPath.ppt).  
DIVO = divisional officer; IA = individual augmentee; DH = department head; BD = board; LCDR = lieutenant commander;  
XO/CO = executive officer/commanding officer; SM = special missions.

Figure III.I. Surface Warfare Officer Career Path

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In addition to throwing up obstacles to longer or repeat duty assignments, the current career management structure makes highly unlikely the alternative career paths commonplace in the private sector, such as taking time out for graduate work or family needs. In his 2005 address, Representative Skelton noted that “presently going to graduate school risks getting off the beaten path and being passed over for promotion.”<sup>75</sup> Vice Admiral John Harvey, the Chief of Naval Personnel, recently announced that the Navy is planning a pilot program that would give sailors a “time out” of up to two years for education, parenthood, or work in the private sector.<sup>76</sup> In an article published in *Navy Times*, Vice Admiral Harvey noted: “Millennials [those ages 6 to 24] are going to define the word ‘career’ very differently than we have defined it and very differently than we have enshrined it in our [current] career paths. . . . How they view life is fundamentally different than aging baby boomers, but our current rules and policies are set up for the aging baby boomers like me—that has to change. This is not just fluffy stuff that makes people feel good; this is hard data that defines a generation.”<sup>77</sup>

As Rear Admiral Edward Masso, Commander, Navy Personnel Command, and Deputy Chief of Naval Personnel, told the Commission in June 2007, the Navy developed this policy to address a serious retention problem among female officers who wanted the opportunity to start a family and still remain competitive for promotion: “While we look to create a methodology for them to maybe go and to begin a family, which is what they’ve asked us to look to do, we also recognize the need to be diversity-inclusive—where we have male officers who have exceptional family members—the father with Alzheimer’s, the exceptional family member in a range where they want to be in close proximity to them; educational desires; go write a book, whatever it is they may think they may want to do.” He pointed further to a number of challenges that remain to be resolved, including precept language to promotion boards about how to deal with the time-out period.<sup>78</sup> How well the policy will work within current DOPMA time constraints remains to be seen.

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“Millennials [those ages 6 to 24] are going to define the word ‘career’ very differently than we have defined it.”

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**Finding:** DOD’s current “time-based” career management system prevents service members from pursuing alternative career paths and penalizes their attempts to do so. “Up or out” instead pushes service members out of the force when they are most experienced.

### An Alternative Force Management Structure

The Rand Corporation has prepared an extensive series of reports for the Department of Defense that analyze alternative career management systems for officers. In its most recent report, *Challenging Time in DOPMA*, Rand identified a list of proposed outcomes for such a system; these were based on “discussions with senior decision-makers, service personnel managers, representatives of organizations that officers serve, and officers themselves . . . :

- Longer job tenure

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75 Representative Skelton, Eisenhower National Security Conference address.

76 Mark D. Faram, “Navy to Permit 2-Year Break Without Penalty,” *NavyTimes*, May 20, 2007; from CHINFO News Clips, May 21, 2007.

77 Vice Admiral Harvey, quoted in Faram, “Navy to Permit 2-Year Break Without Penalty.”

78 Rear Admiral Masso, testimony before the CNGR, Hearing on Integrated Active and Reserve Force Management—Impact of Reserve Component Personnel, Compensation Policies, transcript of June 21, 2007, hearing ([www.cngr.gov/June%2019-21/0621cngr-panel3.pdf](http://www.cngr.gov/June%2019-21/0621cngr-panel3.pdf)), pp. 51–52.

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- Longer careers
- More geographic stability for military members and their families
- Comparable promotion opportunity
- Joint and service development
- More individualized development
- More choice for individuals
- Greater emphasis on competencies
- Greater emphasis on experience
- Alternative career paths
- Greater organization stability
- More flexibility in career management
- Greater ability to accommodate breaks in service
- Greater ability to take advantage of skills learned in the private sector.”<sup>79</sup>

These desirable outcomes provide useful criteria for evaluating any proposed new officer career path.

The Rand report focused on officer management in the active component, but the type of flexibility it envisioned could provide the basis for a new personnel management system for an integrated force, permitting transitions between active and reserve service—and a range of levels of participation at various career points—as the service member grows in competence and experience. Under DOPMA today, such a career pattern would be an almost certain kiss of death for future promotion. In February 2000, the Defense Science Board Task Force report on human resources strategy proposed a new force concept that would “permit individuals to move more freely from active to reserve and back to active status. This more seamless force will enable the Department to meet its changing needs more effectively and to take advantage of changing educational and career expertise of individual members. A more seamless force will also require changes in the way the Department recruits, trains, retains, compensates, and retires active duty and reserve personnel.”<sup>80</sup>

In lieu of a time-based selection process, the Rand report suggested allowing much greater flexibility in how promotions are timed, and it recommended the adoption of a competency-based career management system that would make an officer eligible for promotion on the basis of education and work experience rather than seniority.<sup>81</sup> Under such a system, officers would be able both to serve longer in some positions and to have more assignments during longer careers; the timing of their promotions would vary, reflecting their development and mastery of competencies (labeled “knowledge, skills, and abilities,” or KSAs).<sup>82</sup>

Under current law and policy, statutory promotion boards rank officers on the basis of experience, demonstrated performance, and potential for success in the next grade. A competency-based system would rely on those same criteria but would use accumulated experience gained through assignments, education, and training to determine which officers are eligible for promotion.<sup>83</sup> “There would be no primary promotion zone, based on seniority, from which most officers would be selected. The services and service communities would determine the experiences that would lead to promotion

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79 Schirmer et al., *Challenging Time in DOPMA*, pp. 2–3.

80 DSB Task Force on Human Resources Strategy, p. 51.

81 Schirmer et al., *Challenging Time in DOPMA*, pp. 31–32.

82 Schirmer et al., *Challenging Time in DOPMA*, p. 5.

83 Schirmer et al., *Challenging Time in DOPMA*, pp. 32, 49.

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eligibility. . . . We would expect to see ‘due-course’ promotions distributed over multiple years for a single grade and perhaps some overlap in the timing of promotions to different grades.”<sup>84</sup>

Such a system would also allow officers to undertake additional or longer assignments or further their education without being at a disadvantage in relation to their peers.<sup>85</sup> In addition, it would facilitate the kind of time-out to address personal, family, and education priorities that is critical to retaining the individual in service. Moreover, a competency-based system could foster greater use of lateral entry to acquire individuals with critical civilian skills and training. For officers, lateral entry today is limited to members of a few professions, such as physicians. Greater use of lateral entry could attract individuals from civilian society or the reserve component with the latest training and expertise from corporate America. Although considered radical by some, lateral entry is not a new idea. It was suggested by the Gates Commission in 1970,<sup>86</sup> and over the years it has been used to a limited extent in the enlisted ranks to attract pretrained manpower.<sup>87</sup>

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Greater use of lateral entry could attract individuals from civilian society or the reserve component with the latest training and expertise from corporate America.

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**Finding:** A competency-based career management system, based on the mastery of knowledge, skills, and abilities, would encourage more flexible career paths, thereby permitting longer assignments, greater opportunity for graduate education, time-outs for family responsibilities, the lateral entry of skilled professionals, and longer overall careers.

A competency-based system would require changes to DOPMA law and policy, but its success would depend on its thorough implementation by the services and service communities, a process that would necessarily include identifying the knowledge, skills, and abilities inherent in each assignment, school, and training event.<sup>88</sup> High-year tenure statutes and service high-year tenure policies, which set various maximum lengths of service for different officer grades, would also need to be modified to accommodate variable career lengths.<sup>89</sup> The services would need to “build and maintain their understanding of how KSAs develop and which KSAs matter the most in different assignments.”<sup>90</sup> For some communities, the required skills, timing of promotions, and career length might change little among individuals from today’s norms.<sup>91</sup> For example, within a career field such as combat arms, a service might decide that the current framework is optimal because of the need for

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84 Schirmer et al., *Challenging Time in DOPMA*, p. 49.

85 Schirmer et al., *Challenging Time in DOPMA*, p. 49.

86 *The Report of the President’s Commission on an All-Volunteer Armed Force*, pp. 65–67.

87 Dina Levy, Joy Moini, Jennifer Sharp, and Harry J. Thie, *Expanding Lateral Entry: Options and Feasibility* (Santa Monica, CA: Rand, 2004), pp. 5–7. Currently there are two programs, the Army Civilian Acquired Skills Program (ACASP) and the Navy’s Direct Procurement Enlistment Program (DPEP), that allow lateral entry of civilians with specific skill sets into the enlisted force. ACASP offers enlistment at up to the E-5 level in 98 occupations subject to basic enlistment criteria, training requirements, and work experience in a particular skill area. Less than 1 percent of regular Army enlistments occur through ACASP. DPEP applicants who have appropriate skill training and work experience are eligible for advanced pay grades from E-4 to E-7 and must meet minimum age requirements to qualify for each advanced pay grade. According to the Rand report, a source at the Navy Recruiting Command estimates that fewer than 20 people entered the Navy through DPEP between 1999 and 2004 (p. 7).

88 Schirmer et al., *Challenging Time in DOPMA*, p. 53.

89 10 U.S.C. §§633, 634, 635, 636, 14507, 14508, 14509, 14510, 14511, 14512.

90 Schirmer et al., *Challenging Time in DOPMA*, p. 54.

91 Schirmer et al., *Challenging Time in DOPMA*, p. 55.

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youth and vigor. Similarly, the services might make little change in the promotion timing for officers scheduled for a command/leadership track. In Rand's competency-based modeling, "officers with the greatest potential and a record of excellent job performance" were more likely to be slated for command and to be promoted most quickly.<sup>92</sup> At the same time, the service would have the flexibility to modify some current career paths to address retention or other manning problems within specific officer communities. In other areas, there could be considerable variation in promotion timing and career length.

**Finding:** The services may find that little change to the command/leadership track (or for specific career fields) is needed or desired in a competency-based career management system.

To prevent stagnation in a competency-based system, competency would need to be demonstrated for officers to continue in service as well as to be promoted. As Rand noted, "The basis for continuation decisions would be employability, the essence of a perform-or-out (compared with up-or-out) policy. A competency-based system will be harder to manage because more decisions are made about individuals and fewer about groups." Such a system would have to rely heavily on information technology to provide additional modeling and analytical capability. Under a perform-or-out system, the continuation of field grade officers would be determined by their employability by a command or agency seeking their services.<sup>93</sup>

One example of how a competency-based system might work is a fly-only option for the Air Force, which has been considered in the past but never implemented. In this case, the individual as an O-4 may wish to remain in the cockpit rather than take the other assignments needed for promotion competitiveness. As modeled by Rand, such an option would be possible if the aviator had an employment agreement with a major command. While he or she might not rise above O-4, the aviator could remain in the cockpit well past 20 years of service without the stigma of having failed of selection, thereby providing critical man-years to help meet Air Force pilot requirements.<sup>94</sup>

**Finding:** A competency-based career management system would support alternative career paths, such as a "fly-only" option for aviators, that are unachievable today.

Retention of these officers will require changes to the current compensation and retirement systems to provide financial incentives for continued service.<sup>95</sup> To continue the example above, the last longevity pay raise for an O-4 is at 18 years of service,<sup>96</sup> which clearly will not suffice to retain that officer once he or she is eligible to retire. The retirement recommendations of the Defense Advisory Committee on Military Compensation, discussed later in this chapter—providing greater career flexibility, significant bonuses at critical retention points, and incentives for longer careers—would seem to be consonant with a competency-based promotion system. In addition, a competency-based system would likely require replacing the current pay tables based on grade and longevity with a compensation system based on pay for performance.

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92 Schirmer et al., *Challenging Time in DOPMA*, p. 36.

93 Schirmer et al., *Challenging Time in DOPMA*, p. 57.

94 Schirmer et al., *New Paths to Success*, pp. 31–32.

95 Schirmer et al., *Challenging Time in DOPMA*, p. 56.

96 OUSD(P&R) Directorate of Compensation, "Selected Military Compensation Tables," April 1, 2007, p. A2 ([www.defenselink.mil/prhome/docs/GreenBook\\_APRIL\\_40YOS\\_2007\\_Dist.pdf](http://www.defenselink.mil/prhome/docs/GreenBook_APRIL_40YOS_2007_Dist.pdf)).



## Implications for a Continuum of Service

The phrase “continuum of service” appears frequently in DOD testimony and documents, but with little concrete description of what would actually constitute such a continuum. As generally understood, a continuum of service would ease the seamless transition of individual reservists on and off of active duty to meet mission requirements over the course of their military careers. It has been described as a series of on-ramps and off-ramps with a “rheostat” capability that would enable DOD to dial up its use of reserve volunteers to meet demand and then dial down its reliance on reserves as demand decreased.<sup>97</sup> Once past the buzzwords, however, many advocates seem to have a limited grasp of the elements needed to achieve a true continuum of service as a central component of integrated total force management. DOD officials have called attention to the new operational support personnel accounting category, discussed in a later section, as a major component of the continuum of service,<sup>98</sup> but the addition of one category is only a small step toward implementing the concept.

As a central element of integrated total force management, a continuum of service would have a number of interlocking parts. Beyond simplified duty status categories and an integrated pay and personnel system such as the Defense Integrated Military Human Resources System (DIMHRS), which are dealt with later in this chapter, a number of complicated issues must be addressed to create a true continuum of service. As an individual service member potentially transitions along the “on- and off-ramps” between the active and reserve components, between very intense training and traditional 39-day drilling roles, between reserve categories (today the Selected Reserve and the Individual Ready Reserve), and potentially into a time-out period devoted to education, parenthood, or other family needs, he or she faces the prospect of being noncompetitive within the traditional personnel management systems.

A competency-based system offers one framework to foster a true continuum of service between the active and reserve components and between different levels of participation. As noted in the discussion in Chapter I on the value of the reserves, among the many contributions that reserve component members bring to the total force are skills, training, and civilian and professional experience that are often not found or easily maintained in the active components. One can certainly argue that in many cases, these KSAs more than offset a reserve component member’s missing “ticket punch.” But under DOPMA today, the individual will likely fail of selection for lack of that ticket punch, thereby keeping continuum of service an unachievable catchphrase.

**Finding:** A competency-based system offers a framework to foster a true continuum of service.

## A Single Officer Management System

The Commission believes that as a long-term goal, the merger of DOPMA and ROPMA into a single personnel management system would constitute a vital component of integrated total force management. Before such a merger could be undertaken, however, many other changes would have to occur to protect reserve component officers from being disadvantaged in the promotion process. These include the implementation of a competency-based promotion system (discussed above), a significant increase in opportunities for joint duty and joint professional military education (addressed below), and a career management system to assist reserve component officers in getting the assignments and

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97 Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA), “The New Guard and Reserve: A New Approach to Military Force Management,” briefing to the Center for Strategic and International Studies, February 22, 2006, p. 7.

98 OASD-RA, “Report on Reserve Component Strength Accounting (Specifically Regarding Exemptions Provided in 10 U.S.C. §115(i)),” October 2005.

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education required to enhance the knowledge, skills, and abilities critical to their continuation in service or their promotion (addressed in the discussion of education).

However, after 60 years of up or out as the hallmark of the officer personnel management system, any change to a competency-based system will require a carefully designed transition plan. At the outset, DOD and the services will need to prescribe desired outcomes for a new officer promotion system and establish definite timelines. In addition, change will need to be phased in rather than implemented systemwide. Rand has proposed a series of demonstration projects, following the precedent of those undertaken for DOD civilian employees at different locations that helped form the basis for DOD's National Security Personnel System.<sup>99</sup> Another possible approach is phased implementation in specific career fields whose practitioners have highly specialized skills, such as health care professionals, aviators, information technology experts, and intelligence specialists. To ensure that the process does not die as a result of inertia or bureaucratic resistance, Congress may want to require DOD to reassess the progress each year, require the Department to report on that assessment of the program's success in achieving desired outcomes, and require the Department to develop a time frame for expanding the career fields covered by the new system.

**Finding:** A competency-based system would facilitate the development of a single personnel management system as a component of an integrated total force.

In addition, several complex issues still need to be resolved during the transition. For example: If the ultimate goal is to have a single promotion list, how long will it remain necessary to maintain two separate lists, analogous to the current active duty list (ADL) and reserve active status list (RASL), but perhaps with greater flexibility to move between the ADL and RASL in order to enhance career opportunity? How should unit vacancy selections, particularly within the National Guard, be addressed? While difficult, these questions are not necessary intractable.

An important first step is to provide for a single type of commission for all officers. Congress has amended 10 U.S.C. §532 on several occasions to change the initial appointment for regular officers. In 1991, Congress mandated that "After September 30, 1996, no person may receive an original appointment as a commissioned officer in the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps until that person has completed one year of service on active duty as a commissioned officer (other than a warrant officer) of a reserve component."<sup>100</sup>

In 2004, Congress repealed that language, restoring authority to the Secretary of Defense to commission all new officer accessions as regular officers and to transition all officers on the active duty list to regular status.<sup>101</sup> Separate regular and reserve commissions create an unnecessary distinction between officers who today frequently serve side by side, accomplishing the same mission. Different types of

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Attaining a true continuum of service as part of an integrated total force will take time and require cultural change, not unlike the two-decade transition after the enactment of the Goldwater-Nichols Act.

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99 Schirmer et al., *New Paths to Success*, pp. 27–49, 53–76. Title XI of the *National Defense Authorization Act for Fiscal Year 2004* (Public Law 108-136, November 24, 2003) authorized the Secretary of Defense and the Director of the Office of Personnel Management to establish a new human resources management system for DOD civilian employees.

100 Public Law 102-190, *National Defense Authorization Act for Fiscal Years 1992 and 1993*, December 5, 1991, §501.

101 Public Law 108-375, *National Defense Authorization Act for Fiscal Year 2005*, October 28, 2004, §501; House Report 108-767, accompanying statement of managers' language, 108th Cong., 2nd sess., October 8, 2004, p. 664.

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commissions can also create unnecessary delays in transitioning from one component to another, thereby impeding a continuum of service between active and reserve status.<sup>102</sup>

Attaining a true continuum of service as part of an integrated total force will take time and require cultural change, not unlike the two-decade transition after the enactment of the Goldwater-Nichols Act. But the Commission believes that this is a worthy goal, achievable over the long term.

**Recommendations:**

10. DOD, with support from Congress, should implement a more flexible promotion system based on the achievement of competencies (knowledge, skills, and abilities, or KSAs); under this new system, the timing of and opportunities for promotion should vary by competitive category (career field), depending on service requirements.
11. The Defense Officer Personnel Management Act (DOPMA) and the Reserve Officer Personnel Management Act (ROPMA) should, over time, be merged into a single system, modified to base advancement on achievement of competencies—including competencies acquired through civilian employment and education as well as military experience. To facilitate the transition, Congress should amend current statutes to create a single type of commission in lieu of the current regular and reserve commissions, consistent with the elimination of the use of reserve designations for personnel and units (see Recommendation #85).

**C. JOINT DUTY EXPERIENCES, JOINT EDUCATION,  
AND ENHANCING THE CAPABILITIES OF FLAG  
AND GENERAL OFFICERS**

**Background**

In 1986, the Goldwater-Nichols Department of Defense Reorganization Act mandated a program of joint qualifications through professional education and experience in joint assignments for active component military officers who would compete for promotion to the general and flag officer ranks.<sup>103</sup> In the 21 years that have followed, intense congressional interest, numerous statutory amendments, and changes in policy and regulation in the services and the Department of Defense have made that program a priority. Under the original Goldwater-Nichols legislation, DOD was to establish a parallel system for the reserve components: the Secretary of Defense was mandated to establish policies for education and experience in joint matters for reserve officers that were *similar* to the policies for active officers.<sup>104</sup> It took more than 16 years, but in 2002, DOD finally published its Reserve Component Joint Officer Management Program;<sup>105</sup> in the following year, the

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102 Memorandum for the Record (MFR) of Commission dinner, Lieutenant General John A. Bradley, Chief of the Air Force Reserve, October 23, 2007.

103 Public Law 99-433, *Goldwater-Nichols Department of Defense Reorganization Act of 1986*, October 1, 1986, §§401–406.

104 10 U.S.C. §666.

105 Department of Defense Instruction 1215.20, “Reserve Component (RC) Joint Officer Management Program,” September 12, 2002, p. 1.

Joint Forces Staff College's RC Joint Professional Military Education (JPME) program began delivering Advanced Joint Professional Military Education (AJPME).<sup>106</sup>

The reason for this lag and lack of emphasis on RC joint qualifications is simple. The Goldwater-Nichols Act did not include a statutory requirement for RC officers to serve in joint billets, complete JPME, or be designated as joint qualified officers. The vision for joint education and qualification laid out by the Goldwater-Nichols Act two decades ago has thus not yet been realized for the reserve components.<sup>107</sup> The Commission finds some praiseworthy advances in this area, directed by Congress and initiated quite recently by DOD. But even as these reforms are being implemented, there are reports of difficulty in overcoming bureaucratic inertia and the conventional wisdom that reserve duty counts little toward the accumulation of joint experience.<sup>108</sup> As our nation relies increasingly on the reserve components, including general and flag officers in command of total force formations, this situation has become unacceptable: it cannot be resolved until joint qualification standards are mandated by law for reserve component officers and made realistically attainable in a typical reserve career path (which may include part-time as well as full-time joint tours). Such changes will be possible only when policymakers and the military leadership recognize that competency can be gained in a number of ways.

### Joint Qualification Today

Since the inception of Goldwater-Nichols, the reserve components have been left out of the joint officer management programs on a number of levels. Fundamentally, there is no requirement for reserve component officers to be "joint": they need not seek formal qualification, serve in joint billets, or complete JPME. Because the Office of the Secretary of Defense, the services, and individuals have had no need to be concerned with reserve joint qualifications, they have likewise had little reason to take the matter very seriously. As our reserve components, including reserve leadership, participate more fully in military operations at home and overseas, the need to remedy this disparity becomes ever more urgent.

The major incentive for active component officers to gain joint experience, attend joint professional military education, and become joint qualified is clear. Section 619a of Title 10 requires that all active component officers (with certain very limited exceptions) be "joint qualified" in order to be considered for promotion to general or flag grade. There is no such provision mandating joint qualifications for reserve officers. The only joint requirement for reserve officers is that nominees for the positions of reserve component chief must be certified by the Chairman of the Joint Chiefs of Staff "to have significant joint experience."<sup>109</sup> In essence, the bar required for active component officers to be selected for one-star rank is set higher than the reserve component's bar for three stars. These provisions offer no incentive for reserve officers to worry about gaining joint experience or completing JPME until they are already general or flag officers.

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106 "Overview of RC JPME," Joint Forces Staff College ([www.jfsc.ndu.edu/schools\\_programs/rcjpme/overview.asp](http://www.jfsc.ndu.edu/schools_programs/rcjpme/overview.asp)).

107 Lieutenant General H Steven Blum, Chief of the National Guard Bureau, testimony before the CNGR, Hearing on Proposed Changes to the National Guard, transcript of January 31, 2007, (first morning) hearing ([www.cngr.gov/hearing13107/0131cngr-1.pdf](http://www.cngr.gov/hearing13107/0131cngr-1.pdf)), p. 14; DOD Instruction 1215.20, "RC Joint Officer Management Program," p. 2.

108 MFR of Commission meeting with senior official from the Joint Staff, October 25, 2007.

109 10 U.S.C. §§3038, 8038, 5143, 5144, 10506 (a)(3)(B)(ii).

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**Finding:** There is no statutory requirement for reserve component personnel to achieve joint qualification or serve in joint positions. Joint experience is essential for any operational force. While active component requirements are defined in statute, for the reserve component the Secretary of Defense is required only to establish similar policies to the maximum extent practicable. To date, these policies have failed to achieve comparable results with regard to reserve component members' joint education and experience.

**Finding:** There is no incentive today for reserve component officers to seek out a joint duty assignment, Joint Professional Military Education (JPME), or joint duty qualification.

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No mechanism exists to deliberately develop skilled, experienced RC joint officers competitive for assignment to the top positions of command and responsibility.

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No mechanism exists to deliberately develop skilled, experienced RC joint officers competitive for assignment to the top positions of command and responsibility. Clearly, today's planned reliance on our reserve components makes such a trained cadre necessary. DOD's 2006 Strategic Plan modified joint officer management to include the reserve components,<sup>110</sup> reflecting the desire of Congress for a total force plan. Effective on October 1, 2007, the Department's 2007 implementation plan established responsibilities for instituting a new four-level joint qualification system, a dual track for achieving each level, and provisions for the reserve components.<sup>111</sup>

Under the previous system, officers seeking to become fully joint qualified had to remain in a single position on the joint duty assignment list for 36 consecutive months. In the new Joint Qualification System Implementation Plan, DOD added another method to gain credit that more accurately reflects the nature of joint duty in the 21st century: holding temporary assignments, often on joint task force staffs, in hazardous areas. The revised system provides greater flexibility, as joint qualification can be awarded on the basis of the duration, nature of duty, and intensity of the joint experience. The new method is referred to as the Experience-based Joint Duty Assignment (E-JDA) path.<sup>112</sup>

An alternative route to joint qualification, E-JDA captures joint experiences through a point system; at the same time, the traditional method of joint qualification through joint duty assignments and JPME will remain in place. The new path should rely on "a capabilities-based system in which experience, education, and performance are evaluated in an officer's progress to higher levels of qualification."<sup>113</sup> It is too early to evaluate the results of this nascent program, but the Commis-

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110 Public Law 108-375, *NDAA for FY 2005*, §531, required the Secretary of Defense to develop a strategic plan for joint officer management and joint professional military education that links joint officer development to accomplishing the Department's overall missions and goals. Also mandated was the plan to incorporate joint officer development for officers on the reserve active status list. In its initial report, the House Armed Services Committee noted that multiple proposals had been received from DOD over the past several years to "change significant aspects" of the Goldwater-Nichols joint officer framework, but it judged that these proposals lacked a "coherent, comprehensive context" ("Department of Defense Strategic Plan for Joint Officer Management and Joint Professional Military Education," April 3, 2006, p. 6; Appendix A, pp. 22-23).

111 Public Law 109-364, *National Defense Authorization Act for Fiscal Year 2007*, October 17, 2006, §§516-519. See Department of Defense, Joint Officer Management, "Joint Qualification System Implementation Plan," March 30, 2007, Appendix B, p. A-2.

112 10 U.S.C. § 664(a); Department of Defense Instruction 1300.19, "DOD Joint Officer Management Program," October 31, 2007, Enclosure 2, p. 10.

113 House Report 109-702, on the *National Defense Authorization Act for Fiscal Year 2007*, 109th Cong., 2nd sess., October 17, 2006, p. 712 (statement of managers' language accompanying §516).



sion has heard reports that not everyone in the Department or on the Joint Staff is equally willing to accept nontraditional paths to joint qualification.<sup>114</sup> Such reluctance to embrace the new system must not be allowed to prevent it from maturing. There must be an effective means for both reserve and active component officers to gain recognition for experience and proficiency in joint matters when their assignments cannot match the rigid traditional criteria.

### *Joint Professional Military Education (JPME)*

JPME consists of three phases. JPME Phase I is offered by intermediate and senior service colleges in both residential and distance learning formats. It provides the fundamentals needed for a sound basis in joint operations and is taught from a service-specific perspective. JPME Phase II, which enhances JPME Phase I, is taught at the Joint Forces Staff College (JFSC), other National Defense University schools, and accredited senior-level service colleges. JPME II emphasizes joint perspectives—focusing on planning, operations, and procedures. At the National Defense University, the National War College and Industrial College of the Armed Forces grant both Phase I and Phase II credit for those who complete a 10-month curriculum. At JFSC, the primary JPME II course is the Joint Combined Warfighting School. The Joint Advanced Warfighting School grants both Phase I and Phase II credit on completion of a 10-month curriculum. As of November 2007, all four service colleges were accredited as JPME Phase II institutions.<sup>115</sup> JPME Phase III, which is geared to general and flag officers, is taught only by the National Defense University. The “CAPSTONE” program ensures that newly selected flag and general officers grasp the fundamentals of joint doctrine, understand how to integrate the elements of national power to accomplish national security and military strategies, and comprehend how joint, interagency, and multinational operations support national strategic goals and objectives.<sup>116</sup>

The October 2007 accreditation of all four services’ war colleges (the Naval War College, Army War College, Air War College, and Marine Corps War College) is a sign of progress, as it opens up more opportunities for study and thus should help increase the number of reserve component officers credited with JPME II. However, because most joint duty positions are below the rank of O-6 (colonel or Navy captain), officers must earn JPME II credit well before they attend a senior service college. To do so, they must complete one of two stand-alone courses now being offered by the Joint Forces Staff College: the Joint and Combined Warfighting School or the Advanced Joint Professional Military Education course.<sup>117</sup>

The Joint and Combined Warfighting School is a 10-week residential program. The school’s mission, according to its Web page, is “to educate military officers and other national security leaders in joint, multinational, and interagency operational-level planning and warfighting, to instill a primary commitment to joint, multinational, and interagency teamwork, attitudes, and perspectives.”<sup>118</sup> The course seeks to produce a warfighter adept in joint and combined operations, able to contribute significantly to developing and effectively executing comprehensive plans across the range of military operations.

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114 MFR of Commission meeting with senior official from the Joint Staff, October 25, 2007.

115 DOD, “Joint Qualification System Implementation Plan,” p. A-1.

116 “Capstone Overview,” National Defense University, updated December 10, 2007 ([www.ndu.edu/CAPSTONE/index.cfm?secID=362&pageID=128&type=section](http://www.ndu.edu/CAPSTONE/index.cfm?secID=362&pageID=128&type=section)).

117 A third course at JSFC, the Joint Advanced Warfighting School, provides JPME I credit and as of April 2006 is certified for JPME II credit (see Joint Staff, memorandum, “FY 2006 and FY 2007 Schedule, Process for Accreditation of Joint Education (PAJE),” September 28, 2005).

118 “JCWS Course Description,” Joint Forces Staff College ([www.jfsc.ndu.edu/schools\\_programs/jcws/course\\_description.asp](http://www.jfsc.ndu.edu/schools_programs/jcws/course_description.asp)).

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The Advanced Joint Professional Military Education program is delivered over 40 weeks and consists of highly interactive advanced distributed learning as well as three weeks of face-to-face learning sessions.<sup>119</sup> DOD created the AJPME program, at the direction of Congress, “[i]n order to prepare reserve component (RC) field grade officers for joint duty assignments.”<sup>120</sup> Although the first AJPME class graduated in 2004, and 29 classes with 530 graduates have followed suit,<sup>121</sup> the Joint Staff, the Office of the Secretary of Defense, and the service departments have been slow to publish policies to carry out the program.<sup>122</sup> Five years after its inception,<sup>123</sup> RC JPME has yet to be widely embraced.



CSM Gipe and CSM Jones  
at June 2007 hearing.

An important distinction between the two JPME Phase II courses is that AJPME, unlike the Joint and Combined Warfighting School, provides JPME II credit only to reserve component officers; no active component officers attend the program. Such segregation is obviously counter to efforts to integrate the total force: indeed, the long-standing cultural differences between the active and reserve components heighten the importance of incorporating officers into the same programs, which can provide common experiences. Students learn from each other as well as from the instructor, and interactions in the classroom can enhance greater understanding between services and components and move the military another step toward greater integration. Moreover, active component officers attending Advanced Joint Professional Military Education would share an experience common among reserve component officers—managing multiple responsibilities—since they take on their studies in addition to their regular duties.

Currently, AJPME students stay in contact and have frequent interchanges through electronic bulletin board postings, e-mails, and telephone conversations. The Commission believes that by using new technology, a highly interactive distance learning delivery system can make “virtual classrooms” a reality, enabling reserve and active component officers and their instructors to communicate easily with one another over a period of many months.

Establishing and maintaining a deep pool of reserve component officers with the educational credentials required for joint qualification are essential steps toward implementing the assignment practices advocated in this report. Today, none of the services has policies mandating that reserve component officers attend JPME before they are assigned to a joint position. In addition, the services follow different procedures in selecting nominees to AJPME than to their own intermediate and senior service schools. The reserve components compete for service schools’ seats, program funding for RC attendance at these schools, and conduct selection boards before candidates attend them. No comparable level of attention is given to choosing members to attend AJPME. Unlike participants in every other JPME course, AJPME officers nominate themselves, and their attendance is funded

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119 “Overview of RC JPME,” Joint Forces Staff College.

120 House Report 105-532, Report of the Committee on National Security on the National Defense Authorization Act for Fiscal Year 1999, 105th Cong., 2nd sess., May 12, 1998, pp. 294, 295.

121 AJPME Seminar Spreadsheet, provided to CNGR staff November 18, 2007, by Colonel Louis Kaelin, Director of AJPME, Norfolk, VA; updated November 19, 2007, to include the latest graduates of AJPME, the 29th class.

122 Lieutenant Colonel Brian J. McGuire, U.S. Marines, “Preparation of Reserve Individual Augments,” Joint Forces Staff College, June 1, 2007, p. 8.

123 DOD Instruction 1215.20, “RC Joint Officer Management Program,” p. 2.

at the unit level.<sup>124</sup> Unit leaders are often reluctant to release a member for training, for they lose that officer's time while receiving no immediate tangible benefit. Such pressures discourage RC participation, and adversely affect reserve component attendance during acculturation phases of AJPME.<sup>125</sup> The challenge is to encourage more officers to gain joint education without imposing onerous attendance requirements. Representative Ike Skelton, a longtime promoter of joint service and joint education, recognized the constraints on service members' time and proposed a solution in his September 2005 speech:

Presently, going to graduate school risks getting off the beaten path and being passed over for promotion. There is no time to cram more PME in today's career timeline. . . . What really needs to happen is for the legacy machine age personnel systems to be disassembled and put back together again in fundamentally different ways to meet the demands of the information age population they are trying to recruit, retain, train, and educate. It is tough to see how the Services are going to attract adaptive, innovative, agile people without adaptive, innovative, agile personnel policies to suit them.<sup>126</sup>

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"What really needs to happen is for the legacy machine age personnel systems to be disassembled and put back together again in fundamentally different ways."

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The expansion of the joint operating environment to all levels of war has made it necessary to extend JPME to enlisted personnel. While such training is not mandated by law, a 2005 instruction from the Chairman of the Joint Chiefs of Staff recognizes that operating in joint arenas requires joint learning objectives to be made available to enlisted personnel at appropriate levels.<sup>127</sup> Exposure to Enlisted JPME (EJPME) is designed to prepare them to succeed in the complex future operating environment by improving their ability to operate effectively as part of a joint force.

Enlisted JPME, much like the program for officers, has three levels, though only two will be attended by the majority of career enlisted members and apply to all enlisted personnel. The third is open to senior enlisted members (E-9s) who are assigned to joint billets. The basic "career" EJPME (Level I) should be completed by pay grade E-6. Senior EJPME (Level II) is geared for E-7s and above. The in-residence KEYSTONE course, designed to prepare command senior enlisted leaders for service in a flag officer joint headquarters, parallels the general and flag officer CAPSTONE course.<sup>128</sup>

Today, active component billets are listed on a joint table of distribution (JTD), while reserve component billets appear on a joint table of mobilization and distribution (JTMD).<sup>129</sup> This document

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124 CNGR staff meeting with service points of contact on AJPME Policy and Procedures, November 20, 2007.

Although all service processes are based on self-nomination, the USMCR sends nominations to the same annual selection board that meets for all reserve officer PME assignments. The board selects students for all courses and a prioritized list of selections (and alternates) is published to schedule students for specific seminars for the academic year. For national guardsmen, the National Guard Bureau manages the AJPME seat quotas, while funding is provided by the state.

125 MFR of CNGR meeting with AJPME faculty during site visit to JFSC, Norfolk, VA, October 18, 2007. Faculty detailed numerous situations in which students "rolled back" because they are unable to fulfill the in-residence requirements portions of the curriculum.

126 Representative Skelton, Eisenhower National Security Conference address.

127 Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 1805.01, "Enlisted Professional Military Education Policy (EPMEP)," October 28, 2005 (current as of January 8, 2007).

128 "Senior Enlisted Joint Professional Military Education (SE JPME): Introduction," Joint Forces Staff College ([www.jfsc.ndu.edu/schools\\_programs/se\\_jpme/introduction.asp](http://www.jfsc.ndu.edu/schools_programs/se_jpme/introduction.asp)).

129 CJCSI 1301.01C, "Individual Augmentation Procedures," May 1, 2006, p. 3.

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structure reflects the traditional view of the active and reserve components as separate and distinct. In an integrated force, all billets should be recorded on a single document. Rather than differentiating between active and reserve positions, the new consolidated document should identify positions as either part-time or full-time and as required either for normal operations or for wartime operations or other contingencies. The services could fill the positions with qualified service members from either component.

Recording all manpower billets on a single document without distinguishing between active or reserve component demands a new approach to personnel management. For it to be successfully implemented, the services must frequently review their inventory of joint qualified officers and ensure that the pool of service members, active and reserve, is sufficient to fill all positions.

**Finding:** The services do not manage their active and reserve component service members in a single personnel management system.

**Finding:** The current practice of having a manning document (the joint table of distribution) designating positions to be filled only by active component service members and a separate manning document (the joint table of mobilization and distribution) designating positions to be filled only by reserve component service members does not support integration.

The war on terror and an ever-increasing emphasis on the military's role in the homeland have necessitated a growing reliance on the reserve components, including general and flag officers. The knowledge, skills, and abilities of reserve component personnel, gained through a combination of military service and civilian experience, are an important asset to our national security. Recent trends, including a shift toward more irregular warfare, increasing requirements for security and stabilization operations, the growing importance of civil affairs and military police operations, and the increased threat of a catastrophic attack on the United States, all underscore the imperative need for reserve component officers to be qualified as joint, to participate in joint operations, and to possess the best qualifications to lead.

Rear Admiral J. L. Shuford, President of the Naval War College, stresses that Navy reservists must be provided a professional military education: "Our reserves also play a lynchpin role in providing expertise to major command staffs. Reserve personnel are fully integrated into the command and control structure of our regional combatant commanders throughout the world. For homeland defense and security, reserves are integrated into the U.S. Northern Command staff structure and at all levels of the Navy hierarchy from the squadron level up. For example, the U.S. Fleet Forces Command is supported by four reserve joint task force units that provide watch standing and surge augmentation."<sup>130</sup> His words apply with equal force to all services: in the joint environment, reserve leaders at all levels need to be qualified and competent in joint matters.

Nevertheless, very few reserve component officers have qualified to become and been recognized as joint qualified officers. Before 2007, when only the traditional criterion—three continuous years of active service in a joint billet—counted, gaining such recognition was almost impossible. Under the 2002 DOD Instruction "RC Joint Officer Management Program," "fully joint qualified" RC officers are defined by their having served in one or more reserve joint duty assignments for a cumulative total of two years in one or more full-time positions, or three years in one or more traditional Selected Reserve positions, and having completed Advanced JPME.<sup>131</sup>

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130 J. L. Shuford, Rear Admiral, U.S. Navy, "President's Forum," *Naval War College Review* 60, no. 4 (Autumn 2007): 9.

131 DOD Instruction 1215.20, "RC Joint Officer Management Program," Enclosure 1, p. 7.



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Reserve component officers are already eligible for promotion to three-star rank. There is no actual barrier in law or policy to the Secretary of Defense's recommending a reserve component officer to the President for appointment as an O-9 in a position of importance and responsibility, despite an unfavorable evaluation of that officer's joint experience by the Chairman of the Joint Chiefs of Staff.<sup>132</sup> Nevertheless, it is unlikely that the Secretary would make such a recommendation if the officer does not meet the joint duty assignment and joint professional military education requirements of the Goldwater-Nichols Act for initial promotion to general and flag officer rank in the active component. At the same time, the Commission knows of no DOD plans in place to teach and develop reserve component officers in sufficient numbers to ensure a pool of future leaders who possess the training and experience to serve as flag and general officers.

In addition to implementing significant changes to extend the scope of Goldwater-Nichols to the reserve component, DOD must also find ways to encourage reserve component general and flag officers to fill critical staff positions in the combatant commands and the Joint and service staffs. In 1999, Congress exempted up to 10 (increased in 2006 to 11) one- and two-star general and flag officer positions, to be designated for reserve component officers by the Chairman of the Joint Chiefs of Staff, from counting against statutory ceilings on the number and grade distribution of general and flag officers.<sup>133</sup> The National Defense Authorization Act for Fiscal Year 2008 will increase that number to 15.<sup>134</sup> The statute further directs that these "Chairman's" positions on the staffs of combatant commands are to be considered joint duty assignments for purposes of Goldwater-Nichols.<sup>135</sup> Congressional intent was clearly expressed in the accompanying Senate report: "The Committee continues to seek ways to provide opportunities for reserve component general and flag officers to use their expertise and to gain valuable experience serving on the staff of a [commander in chief] or other joint duty positions. The recommended provision is not intended to be a source of manpower for the active components nor is it intended to be used in cases in which the duties would not provide the reserve general or flag officer significant experience in a joint or critical service staff position."<sup>136</sup>

The Department has made progress since 1999. General and flag officers from the reserve components are brought on multiyear, full-time duty to serve in meaningful positions in joint commands and organizations. Recent examples include director, U.S. Central Command Deployment Distribution Operations Center in Kuwait; commander, NATO Headquarters in Sarajevo; chief, Office of the Defense Representative in Pakistan; president, Joint Special Operations University; chief of staff, U.S. Transportation Command; vice director for Joint Training, U.S. Joint Forces Command; commander, Joint Task Force Civil Support, U.S. Northern Command; and deputy director, J-4, the Joint Staff.<sup>137</sup> There are dozens of other positions in which reserve component generals can effectively serve on joint staffs in a part-time capacity.<sup>138</sup> The Commission believes it is critical to continue to look for opportunities to expand the experience base of reserve component general and

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132 The Chairman of the Joint Chiefs of Staff is required to evaluate the performance of nominees to be a reserve components chief. In accordance with 10 U.S.C. §601, when an officer is recommended to the President for initial appointment as an O-9 or O-10, the Chairman of the Joint Chiefs of Staff must submit to the Secretary of Defense an evaluation of that officer's performance as a member of the Joint Staff and in other joint duty assignments.

133 Public Law 106-65, *National Defense Authorization Act for Fiscal Year 2000*, October 5, 1999, §553, as modified by Public Law 109-163, *National Defense Authorization Act for Fiscal Year 2006*, January 6, 2006, §510.

134 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1824.

135 House Report 106-301, on the National Defense Authorization Act for Fiscal Year 2000, 106th Cong., 1st sess., August 17, 1999, p. 738.

136 Senate Report 106-50, on the National Defense Authorization Act for Fiscal Year 2000, 106th Cong., 1st sess., May 17, 1999, p. 303.

137 Updated listing of "Reserve Component General and Flag Officer Exemptions," as of October 19, 2007, provided to the Commission by Lernes J. Herbert, OUSD(P&R), on November 16, 2007.

138 Department of Defense, "General/Flag Officer Worldwide Roster," May 2006.



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flag officers serving in joint billets and notes that the National Defense Authorization Act for Fiscal Year 2008 will enable up to 42 officers to serve an active duty tour of up to a year without counting against the active duty general and flag office strength constraints (877) prescribed by section 526(d) of Title 10, United States Code.<sup>139</sup> The Commission recommends further short-term relief to provide incentive to the services to capitalize on the unique skills and abilities resident in their reserve component senior officer force.

In the world of today's operational reserve force, however, even greater advances are crucial. The definition of what is "joint" has evolved; it originally covered only military forces, but it has been extended to include many new non-military players, especially in the homeland. In his 2007 guidance, the Chairman of the Joint Chiefs of Staff acknowledged that "[t]he future of national and international security lies in interoperability and cooperation among the Services, the interagency, international partners and non-governmental organizations."<sup>140</sup> Joint interaction has changed over the range of military operations; in addition, it now encompasses a wide array of activities—pertaining to diplomacy, the economy, and the delivery of information—engaged in with a variety of partners and organizations.

The statutory definition of *joint matters* changed substantially with the amendments to the Goldwater-Nichols Act included in the National Defense Authorization Act for Fiscal Year 2007.<sup>141</sup> Prior law had limited joint matters to "the integrated employment of land, sea, and air forces, including matters related to (1) national military strategy, (2) strategic planning and contingency planning, and (3) command and control of combat operations under unified command."<sup>142</sup> Currently, as amended, the phrase refers to "matters related to the achievement of unified action by *multiple military forces* in operations conducted across domains such as land, sea, or air, in space, or in the information environment." Moreover, two new categories are added to the three previously listed: (4) "national security planning with other departments and agencies of the United States" and (5) "combined operations with military forces of allied nations." *Multiple military forces* "refers to forces that involve participants from the armed forces and one or more of the following: (A) other departments and agencies of the United States, (B) the military forces or agencies of other countries, and (C) non-governmental persons or entities."<sup>143</sup>

This modification should significantly expand reserve component officers' opportunities to accrue credit for joint duty. All officers, regardless of component, will be credited for their work with other federal agencies, such as the Department of Homeland Security; with foreign governments; and with nongovernmental organizations, such as the Red Cross. The inclusion of interagency and other nongovernmental entities is reflected in the 2006 Quadrennial Defense Review,<sup>144</sup> our current National Military Strategy,<sup>145</sup> and even in joint education courses such as the Homeland Security Planners Course, which provides the military perspective on homeland security and is designed to prepare U.S. military officers and civilian employees to participate in homeland security planning and response.<sup>146</sup>

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139 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §502.

140 "Jointness," in "CJCS Guidance for 2007–2008," October 1, 2007, p. 2 ([www.jcs.mil/CJCS\\_GUIDANCE.pdf](http://www.jcs.mil/CJCS_GUIDANCE.pdf)).

141 Public Law 109-364, NDAA for FY 2007, §519.

142 10 U.S.C. §668.

143 Public Law 109-364, §519.

144 *Quadrennial Defense Review Report* (2006), pp. 83–87, A-5.

145 *National Military Strategic Plan for the War on Terrorism* (Washington, DC: Chairman of the Joint Chiefs of Staff, 2006), pp. 5–6, 29–30, 33.

146 "National Defense University: Homeland Security Planners Course: Overview," Joint Forces Staff College ([www.jfsc.ndu.edu/schools\\_programs/homeland\\_security/overview.asp](http://www.jfsc.ndu.edu/schools_programs/homeland_security/overview.asp)).

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Yet service with state and local governments, an experience comparable to working with interagency and nongovernmental entities, does not accrue joint duty credit. This disparity must be eliminated. A greater number of flexible alternatives to the traditional policies, which are oriented toward active component officers, must be put into place so that reserve component officers can obtain joint education and joint experience. These alternatives should reflect the nature of joint duty and experience in today's environment, regardless of whether the officer's affiliation is active or reserve.

**Finding:** Service with state and local government provides experience comparable to working with interagency organizations or nongovernmental agencies, but the Goldwater-Nichols Act currently does not specifically provide joint service qualification for this duty.

**Recommendations:**

12. Congress should amend the Goldwater-Nichols Act to require reserve component officers to be designated as "joint qualified" (under the new joint qualification system, effective October 1, 2007) and, at the end of a 10-year transition period, to make joint qualification a criterion for promotion to flag and general officer rank. Congress should mandate that the services develop an action plan and milestones and report regularly to Congress on progress made to accomplish this goal.
  - a. To provide an incentive for early attainment of joint service qualification, service Secretaries should charge their reserve promotion boards selecting officers for the rank of colonel or Navy captain in the reserves to assign additional promotion weight to those officers who have achieved full joint education, have served in joint duty assignments, or are recognized as joint qualified.
  - b. Each service should integrate the management of its active and reserve component service members to better administer its military personnel and ensure that all members are afforded the joint duty and educational opportunities necessary for promotion to senior ranks.
13. For the next five years, DOD should annually increase the number of fully funded slots allocated to reserve component officers at the National Defense University, service war colleges, and the 10-week Joint Professional Military Education II in-residence course to foster greater interaction between active and reserve component students and to increase the number of educationally qualified reserve officers. DOD should direct senior service schools to adjust the curricula and requirements in their distance learning programs to include material that will satisfy JPME II requirements for joint qualifications, as they have done for their in-residence courses.
  - a. Capitalizing on technology, Advanced Joint Professional Military Education should be redesigned to provide formats that encourage active and reserve component participation from all services in a manner that satisfies course objectives, affords social interaction, and values the individual service members' time and other obligations.
  - b. Active component officers should be permitted to attend and receive full credit for AJPME, and the course should be viewed as equivalent to the Joint and Combined Warfighting School.

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- c. DOD should require that all reserve component officers selected for general or flag officer rank attend CAPSTONE; the services should provide full funding for this effort, and the school should have sufficient capacity to accommodate these officers without significant delay.
- 14. DOD should establish programs to provide reserve component enlisted members with joint duty and JPME opportunities comparable to programs available to their active duty counterparts.
- 15. JPME-related courses offered as part of all levels of service professional military education, including service academies and ROTC programs, should contain significantly more material on reserve component organizations and capabilities to increase the understanding of, and appreciation for, the skills and background of reserve component service members.
- 16. For both active and reserve component officers, criteria for granting joint duty experience credit should be flexible enough to allow for a qualitative assessment of proficiency based on knowledge, skills, and abilities in joint matters, not on inflexible time-based requirements. Congress should expand the statutory definitions of joint matters to incorporate service involving armed forces in operations, including support to civil authorities, with state and local agencies.
- 17. DOD should list all manpower billets in joint organizations in a single manpower document. As part of this change, DOD should review all positions thoroughly and identify the essential skills or special background qualifications required or desired for each. To develop a pool of reserve component officers with the range of professional and joint experience required for selection to senior ranks,
  - a. DOD and the military services should develop a program that enables reserve component members to become fully joint qualified after rotating through the following assignments: serving over a period of years in a drilling status, serving on active duty for training in select joint billets, completing JPME either in residence or by distance learning, and, finally, serving a year on active duty in a joint designated billet. This program would allow reservists acting as individual augmentees to serve in a predictable manner and provide them joint qualification while supporting the operational needs of the Joint Staff and combatant commanders. To ensure that the best qualified officers are able to participate in this program, reimbursement of travel expenses for those selected should be mandated (see Recommendation #53).
  - b. Congress should amend the Goldwater-Nichols Act to require that the level of reserve component officer representation in service headquarters and joint organizations, including combatant commands and the Joint Staff, be commensurate with the significant role that reserve components play in DOD's overall missions.
  - c. The Secretary of Defense should require that National Guard or Reserve officers on tours of active duty serve as director, deputy director, or division chief within each joint directorate on the Joint Staff and at the combatant commands.
- 18. In order to provide an incentive to the services to increase the number of billets available to reserve component general and flag officers, Congress should allow the services to assign reserve component general and flag officers to billets currently filled by active component officers by waiving up to 10 percent of the

current statutory limitation (877) on the number of active component general and flag officers on a one-for-one basis, and sunseting this additional head space at the end of 5 or 10 years. Priority should be given to assignment in joint positions. Congress should require DOD to report annually on the number of reserve component general and flag officers serving (1) in joint duty positions and (2) in positions of importance and responsibility. Following the sunset, Congress should reconsider the number of Chairman's exempt positions, taking into account the number of reserve general and flag officers who have successfully served in joint tours during this time.

## D. TRACKING CIVILIAN SKILL AND EMPLOYER DATA

The civilian skills of members of the reserve forces are a valuable core competency of the reserve system that has been largely underdeveloped and underutilized by the Department of Defense. Although some efforts have been undertaken by DOD to collect civilian employer and civilian skills information—notably, the Civilian Employment Information (CEI) Program, begun in March 2003, and the Army Civilian Acquired Skills Program (ACASP)—little use has been made of the data being gathered. Moreover, those data are both incomplete and probably inaccurate, as DOD has neither verified nor standardized the information it has.<sup>147</sup>

To best use the limited manpower available in the reserve military forces to accomplish DOD's mission, the strengths and weaknesses of that manpower pool must be accurately known. Since it is readily acknowledged that reserve military members often use different skills in their civilian occupations than in their military duties, maintaining data on those civilian skills and drawing on them as needed for military service are crucial capabilities.

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### Civilian Employment Information (CEI) Database

Current law and DOD directives regarding civilian employment information for the reserve component are well summarized in a report from the Office of the Assistant Secretary of Defense for Reserve Affairs dated December 2002.<sup>148</sup> On March 21, 2003, Under Secretary of Defense for Personnel and Readiness David S. C. Chu signed a memorandum making the once-voluntary Civilian Employment Information Program mandatory.<sup>149</sup> On August 6, 2004, Assistant Secretary of Defense for Reserve Affairs Thomas F. Hall issued DOD Instruction 7730.54 as an implementation guideline to all reserve components for the CEI Program.<sup>150</sup>

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147 GAO, "Military Personnel: Additional Actions Needed to Improve Oversight of Reserve Employment Issues," GAO-07-259 (Report to Congressional Committees), February 2007, p. 15.

148 Office of the Assistant Secretary of Defense for Reserve Affairs, *Reserve Component Civilian Occupation Information: Final Report* (Washington, DC: Office of the Assistant Secretary of Defense for Reserve Affairs, 2002).

149 Under Secretary of Defense for Personnel and Readiness, memorandum, "Civilian Employment Information (CEI) Program," March 21, 2003.

150 Department of Defense Instruction 7730.54, "Reserve Components Common Personnel Data System," August 6, 2004.

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The CEI Program database includes information such as “employer name and address (indicating self-employment where appropriate), civilian occupation code and title (based on the Bureau of Labor Statistics’ Standard Occupational Codes), as well as employee begin and end date and current employment status (full-time, part-time, specialized volunteer, student or not employed). The civilian employer data are matched to the Dun and Bradstreet (DNB) database to obtain detailed information on employers, such as DNB number, operating officers, branches, and total number of employees.”<sup>151</sup>

In February 2007, GAO issued a report on oversight of reserve employment issues; in discussing the state of the CEI Program, it concluded: “Although DOD has established reporting requirements and compliance goals for reservists to provide their employer information and has made progress capturing much employer information, most reserve components have not met these reporting goals. In addition, DOD does not know whether the employer data it has obtained are current. Lastly, DOD has been unable to verify employer data for approximately 24 percent of its reservists reporting civilian employment.”<sup>152</sup>

The CEI Program is being implemented separately by each of the services and their reserve components, and regulations have not specified how to validate or maintain the information submitted.<sup>153</sup> These flaws in the current system prevent it from enabling the services to readily access the civilian skills of reservists in times of need.

Nevertheless, a good deal of hope is resting on the program. When testifying to Commissioners about business income lost because reservist employees have deployed, Dr. Heidi Golding, a principal analyst of the Congressional Budget Office, mentioned the Civilian Employment Information database. She noted, “We in CBO just surveyed a sample of businesses that had reservist employees activated, and as has been mentioned, our biggest hope here is the CEI in which DOD has been collecting employer data, and will be conducting a survey within the next year or sooner on business losses.”<sup>154</sup>

A searchable, coherent, user-friendly civilian employer database would indeed be useful to DOD in the current environment of employer support. The ability to reach out to all reserve component employers at once would be a great benefit—but, by GAO’s account, it is not now available.

Some progress is being made, however. According to the most recent information provided to the Commission by DOD, the CEI has an almost 90 percent compliance rate.<sup>155</sup> DOD should strive to keep this database current and require that reserve component members update their employer information annually.

**Finding:** DOD acknowledges that civilian skills are a reserve component core competency but has done little to harness these skills.

**Finding:** The Civilian Employment Information (CEI) database is not a useful tool in this regard, in part because it does not capture updated employment information and because the way it records civilian skills data is not standardized for practical use.

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151 Defense Manpower Data Center (DMDC) Profile, Reserve Components Civilian Employer Database (description at [www.dmdc.osd.mil/pprofile/owa/pkg\\_profile.print\\_file\\_names](http://www.dmdc.osd.mil/pprofile/owa/pkg_profile.print_file_names)).

152 GAO, “Military Personnel: Additional Actions Needed to Improve Oversight of Reserve Employment Issues,” p. 15.

153 GAO, “Military Personnel: Additional Actions Needed to Improve Oversight of Reserve Employment Issues,” p. 15.

154 Dr. Golding, testimony before the CNGR, Hearing on Employer and Family Support: Employer Support, transcript of May 17, 2007, hearing ([www.cngr.gov/May%2015-17/0517cngr1.pdf](http://www.cngr.gov/May%2015-17/0517cngr1.pdf)), p. 12.

155 Colonel John Ellsworth, USAFR, Director, National Operations and Plans, National Committee for Employer Support of the Guard and Reserve, e-mail to CNGR staff, November 21, 2007.



## Civilian Skills Tracking Options

Many U.S. allies have experimented with different forms of civilian skills and employment tracking for their reserve forces. A study comparing the experiences of member nations of the North Atlantic Treaty Organization was conducted in 2005 by a joint working group of the Interallied Confederation of Reserve Officers (CIOR) and the Interallied Confederation of Medical Reserve Officers (Confédération Interalliée des Officiers Médicaux de Réserve, or CIOMR). The study stressed the importance of using the civilian skills of reservists, echoing the statement of NATO's Military Committee in its policy statement on the subject.<sup>156</sup> One of its recommendations was to standardize the databases' format among NATO members in order to enhance interoperability in joint operations.<sup>157</sup>

Civilian skills databases have continued to be developed using different methods to gather the information and to maintain its currency. One model is offered by the United Kingdom, which uses a system that closely resembles DOD's CEI Program in its origins and in the problems it has encountered, both in gathering the data required and in the need to regularly review and update that data. There are a number of deficiencies in their classification, and one possible remedy is to merge the tracking of civilian skills with the Ministry of Defence's Joint Personnel Accounting system.<sup>158</sup> If the United States were likewise to track civilian skills within an integrated personnel and pay system, it would make the database part of DOD's Defense Integrated Military Human Resources System (DIMHRS, discussed in the next section of this chapter).

Another approach to the task of forming and maintaining a database to track civilian skills in reserve forces is to contract for database services outside of the military establishment. The system being developed in Norway exemplifies this model: the Norwegian Reserve Officers Association has been given a contract to create the database, which it will maintain for use as required not only by Norway's Ministry of Defense but also by employers looking for skilled reservist employees.<sup>159</sup> Norway's experience with its program suggests that this sort of database might be best developed and maintained by an outside entity rather than within the military.

The U.S. Army already has a program that tracks civilian-acquired skills: ACASP was developed to attract and enlist individuals who have skills needed by the Army.<sup>160</sup> However, it is designed simply as a recruiting tool, and participation in it is voluntary.<sup>161</sup>

The Commission notes that the current CEI database is a logical framework for DOD to use in developing a civilian skills database. This "civilian skills and employment information database" could later be incorporated into an integrated personnel and pay system (whether DIMHRS or a larger enterprise architecture, as discussed below), to ensure consistency and standardization between all services and components. To be a useful tool, data should be tracked not only by military specialty but also, and more importantly, by civilian education, training, and experience of the type that can be found on the reserve component member's civilian résumé.

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156 CIOR/DEFSEC Joint Working Group, "Civilian Skills Database," Quick Scan, Winter 2005, p. 1; see North Atlantic Military Committee, "NATO Framework Policy on Reserves," MC 441/1 (NATO Headquarters, Brussels, Belgium), pp. 1-2 to 1-3.

157 CIOR/CIOMR Joint Working Group, "Civilian Skills Database," p. 3.

158 Defence Skills Framework Team, "Defence Skills Framework, Scoping Report," report for the Service Personnel Executive Group (SPEG), November 6, 2007, p. 5.

159 Norwegian Reserve Officers' Federation Briefing, "Twice a Citizen: Future Use of Reserve Competence" (Report to the CIOR, CIOMR, NRFC at International Congress at Riga, Latvia), August 2007.

160 Army Regulation 601-210, "Personnel Procurement: Active and Reserve Components Enlistment Program," June 7, 2007, 7-1, p. 78.

161 See Army Regulation 601-210, "Personnel Procurement: Active and Reserve Components Enlistment Program," chapter 7 (pp. 78-82).

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**Finding:** Some U.S. allies around the world have developed reserve programs that track and to varying degrees utilize the civilian skills of their reserve military personnel. Such programs are intended to maintain a reserve force of personnel who are highly trained and experienced in their civilian and military specialization.

**Finding:** Some U.S. allies collaborate with the employer to develop military training programs focused on skills specific to both military and civilian occupations of the reservist; these are intended to provide not only a highly qualified reserve military member for the government but also a highly qualified civilian employee for the employer.

**Recommendations:**

19. DOD should develop a standardized system for developing and maintaining a “civilian skills database” that is consistent with standardized database formats, such as that used by NATO, to allow worldwide interoperability.
20. Congress should direct DOD to revalidate the current civilian employer database annually, to require service members to update the information in this database annually, and to expand the database to include résumé-type narrative information.

## E. AN INTEGRATED PAY AND PERSONNEL SYSTEM

The military has a long history of problems with the administration of personnel and pay and its associated information technology. The current automated systems are neither joint, integrated, nor standardized across the military components, and the resulting deficiencies include incorrect pay, low data quality, multiple personnel files and records, and inaccurate accounting of credit for service.<sup>162</sup> The Defense Finance and Accounting Service (DFAS) has reported that the current military pay system—the Defense Joint Military Pay System—is aging, unresponsive, and fragile and has become a major impediment to efficient and high-quality customer service.<sup>163</sup> The Defense Integrated Military Human Resources System is the Department of Defense’s solution to existing personnel and pay problems. It is a Web-based human resource system, integrating personnel and pay and designed to ensure that timely and accurate compensation, benefits, and entitlements are afforded to all military personnel throughout their careers and in their retirement.<sup>164</sup>

DIMHRS is designed to replace hundreds of redundant systems, databases, and interfaces and to provide one single personnel and pay record for each service member. It is being developed to maintain, in easily accessed form, the pay and personnel records of all service members (active, reserve, and retired). From this single system, according to DOD officials, stakeholders such as combatant commanders will be able to obtain much-desired information on personnel assigned to their commands, and individual service members will be able to retrieve pay and personnel information

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162 “What Is DIMHRS,” Army: DIMHRS Program Office ([www.hrc.army.mil/SITE/ArmyDIMHRS/about.htm](http://www.hrc.army.mil/SITE/ArmyDIMHRS/about.htm)).

163 GAO, letter to Secretary Donald Rumsfeld, October 20, 2003.

164 “What Is DIMHRS”; Allen Tidwell, DIMHRS Program Office, e-mail to CNGR staff, May 25, 2007. DIMHRS had its genesis in an Appropriations Committee–directed Navy Reserve project mandated for New Orleans. The Fiscal Year 1995 Defense Appropriations Act mandated the establishment of a defense reform initiative enterprise pilot program for military manpower and personnel information; it was intended to embrace all functions and systems currently included within the scope of DIMHRS (Pers/Pay) and all appropriate systems covering personnel, manpower, training, and compensation (see Public Law 103-335, September 30, 1994, §8107). The Defense Appropriation Act for Fiscal Year 1999 directed the Secretary of Defense to establish a defense reform initiative enterprise pilot program for military manpower and personnel information through a revised DIMHRS and prescribed specific functionality to be included (see Public Law 105-262, October 17, 1998, §8147).

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from any computer with Internet access.<sup>165</sup> The objectives of DIMHRS include operational use in the field and garrison environments, internal controls and audit procedures that prevent erroneous payments and loss of funds, and a seamless transition of personnel between components, which together will reduce the friction we now see when reservists are activated and when active duty personnel transition to part-time service.<sup>166</sup>

The manpower management systems and processes in place today are crude tools that have evolved over decades of applying Cold War administrative policies and procedures. Generations of service members have had to muscle existing systems into compliance or find work-arounds and cosmetic solutions to bring reservists on active duty and ensure that they receive the pay and benefits they have earned.<sup>167</sup> These practices have hindered the services from fully utilizing the talents of the available manpower pool. The future human resource system must be a “continuum of service system” that enables a trouble-free, easy transition between active and reserve statuses. Movement between the active component and reserve component will be based on the needs of the service and the availability of the individual member to support existing requirements. To make these transitions seamless, the “on-ramp” and “off-ramp” procedures must be smooth. With the proper process and an automated system, reservists will be able to serve on active duty for a period of time, then train and work in a reserve unit and, with minimal administrative effort, return to active duty. This capability will provide increased opportunity for service assignments and more flexible support to commanders, make possible a more experienced force, better fill existing requirements for both active and reserve units, provide the capability and convenience of transitioning between statuses without the difficulties experienced today, and allow the right person to be in the right place at the right time to fill a critical position.

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The future human resource system must be a “continuum of service system” that enables a trouble-free, easy transition between active and reserve statuses.

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One of the chief complaints among the services is their inability to write an order to bring a reservist on active duty and then efficiently and effectively provide pay and benefits. The DIMHRS engineers understand that order writing is a vital task and say they have incorporated it into the functionality of their initial design.<sup>168</sup> The services, and in particular the Army, have been constrained by decades of stovepiped automated systems that are so error-prone, cumbersome, and complex that neither DOD nor, more importantly, Army Reserve soldiers themselves could be reasonably assured of timely and accurate payments.<sup>169</sup> In 2007, owing to the lack of systems that integrate such processes as order writing, the Government Accountability Office estimates that the Army overpaid soldiers who had been released from active duty by at least \$2.2 million.<sup>170</sup> The Navy has also struggled with its reserve order writing process and in 2004 implemented a new Naval Reserve Order Writing System to replace what was a “totally manual, centralized process for the drilling reserves and was

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165 Colonel Greg Riley, DIMHRS Military Program Manager, telephone conversation with CNGR staff, July 9, 2007.

166 “What Is DIMHRS.”

167 Lieutenant General Dennis M. McCarthy, “The Continuum of Reserve Service,” *Joint Force Quarterly*, no. 36 (1st Quarter 2005): 30–35.

168 Chris Ireland, DIMHRS System Engineer, telephone conversation with CNGR staff, August 22, 2007.

169 GAO, “Military Pay: Army Reserve Soldiers Mobilized to Active Duty Experienced Significant Pay Problems,” GAO-04-990T (Testimony to Congressional Committees), July 2004.

170 GAO, “Military Pay: Processes for Retaining Injured Army National Guard and Reserve Soldiers on Active Duty Have Been Improved, But Some Challenges Remain,” GAO-07-608 (Report to Congressional Committees), May 2007, Highlights (n.p.).

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the #1 dissatisfier for these citizens.”<sup>171</sup> Still dissatisfied, Vice Admiral John Cotton told a Senate subcommittee in 2006 that the “one constraint” to a number of Navy initiatives “is the reserve order processes.”<sup>172</sup>

**Finding:** The military’s automated order writing process is inefficient, lacks consistency and standards, is not integrated with other systems, and results in errors in pay and benefits conferred on service members.

There are many ways in which DIMHRS, if successfully implemented, will be superior to the current systems in place. For instance, when the order writing process is initiated in DIMHRS, it will immediately reflect a person’s duty status, thereby allowing timely provision of benefits and the accurate calculation of pay and service credit. DIMHRS is designed to permit military personnel access to a number of online self-service functions—including personal information, benefits, online education, payroll and compensation, and career management. The system is being built to provide a single, comprehensive record of service throughout a service member’s life; and because its future integration with the Department of Veterans Affairs systems is being planned, access to VA benefits will be quicker and easier than today. Combatant commanders and others will be able to account for personnel in theater or in transition as well as to have access to critical information such as service members’ skill classifications and significant personnel information. Personnel tracking will be more efficient, and location and time spent deployed will be more accurately recorded. DIMHRS will track personnel on temporary duty assignments and will document health and safety incidents in their permanent record.<sup>173</sup>

Although there have been advances in its design and development, DIMHRS has been beleaguered by delays, lack of accountability, increased costs, and mismanagement. In response to complaints from members of Congress and others, DOD made many programmatic changes in 2005.<sup>174</sup> For instance, to provide better management and accountability, DOD adopted a new Defense business model and governance structure that implements tiered accountability for all newly designed systems, including DIMHRS. Also, in October 2005 the Deputy Secretary of Defense established a new agency—the Business Transformation Agency (BTA)—as the entity responsible for the execution and oversight of the DIMHRS project.<sup>175</sup> This agency, which now directly oversees DIMHRS, operates under the authority, direction, and control of the Under Secretary of Defense for Acquisition, Technology and Logistics and the Deputy Under Secretary of Defense for Business Transformation.<sup>176</sup> DIMHRS has several other governing bodies as well—the Office of the Under Secretary of Defense for Personnel and Readiness, an O-8 steering committee, and the Defense Business Systems Management Committee<sup>177</sup>—to ensure that future development and implementation meet the needs of the Defense Department.

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171 “Naval Reserve Order Writing System (NROWS),” in “2004 ACT [American Council for Technology] Intergovernmental Solutions Award Finalists,” May 2004, p. 4 ([www.actgov.org/actiac/documents/whatsnew/ISA2004FinalistShortDescriptions.pdf](http://www.actgov.org/actiac/documents/whatsnew/ISA2004FinalistShortDescriptions.pdf)).

172 Vice Admiral John G. Cotton, U.S. Navy, Chief of Navy Reserve, statement before the Senate Appropriations Committee, Subcommittee on Defense, 109th Cong., 2nd sess., April 26, 2006.

173 “The DIMHRS Difference,” Business Transformation Agency: Defense Integrated Military Human Resources System ([www.defenselink.mil/bta/dimhrs/difference.html](http://www.defenselink.mil/bta/dimhrs/difference.html)); Colonel Riley, telephone conversation, July 9, 2007.

174 Frank Tiboni, “New DOD Agency Taking Over DIMHRS,” *FCW.com*, December 9, 2005.

175 “Defense Business Transformation: Business Agility and Accountability: Driving Transformation Forward,” Defense Business Transformation, June 13, 2007 ([www.defenselink.mil/dbt/mission\\_agility.html](http://www.defenselink.mil/dbt/mission_agility.html)).

176 “BTA Leadership,” BTA Business Transformation Agency ([www.defenselink.mil/bta/leadership/bta\\_leadership.html](http://www.defenselink.mil/bta/leadership/bta_leadership.html)).

177 “The DIMHRS Team: DIMHRS Governance,” Business Transformation Agency: Defense Integrated Military Human Resources System ([www.defenselink.mil/bta/dimhrs/team.html](http://www.defenselink.mil/bta/dimhrs/team.html)).

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The various changes and setbacks have driven up costs for the DIMHRS project. DOD originally projected those costs through 2009 to be \$601 million, not including the user organization costs.<sup>178</sup> As of September 2006, the Department reported having spent more than \$668 million on the DIMHRS program.<sup>179</sup> These expenses include a full-time team of more than 600 military, government civilian, and contract personnel working together to build the system.<sup>180</sup>

**Finding:** In 2005, DOD made a major adjustment in the leadership and oversight of the Defense Integrated Military Human Resources System project. It has since undergone significant changes, but faces many obstacles to its successful implementation by the Department.

DIMHRS has had some successes in the testing phases and is currently on schedule to conduct initial fielding during 2008 for the Army and Air Force. The Navy and Marine Corps have a timeline for implementing DIMHRS during 2009; they have reservations about the new system, however, and are closely watching its implementation by the other services while expressing concern about DIMHRS's high risk and cost.<sup>181</sup> The Marine Corps would rather keep in place its current system, which already combines personnel and pay, and the Navy would prefer to adopt the Marine Corps system. GAO was asked by Congress to evaluate the Navy's proposal to adopt the Marine Corps' system and reported that the Navy had not provided adequate justification for its decision to invest in the system.<sup>182</sup>

At the same time, the Comptroller General of the United States, the Center for Strategic and International Studies (CSIS), and the Navy have all raised serious concerns regarding the risk, cost, and timing of DIMHRS's implementation.<sup>183</sup> CSIS recommends in its study *The Future of the National Guard and Reserves* that each service draw what it can from DIMHRS and produce its own service-specific systems.<sup>184</sup> Yet the Defense Department has not wavered in its determination to build a comprehensive all-service pay and personnel system, and recent direction by the Deputy Secretary of Defense requires the inclusion of all services on the DIMHRS implementation timeline.<sup>185</sup>

**Finding:** DIMHRS is designed to fill a critical need for a single pay and personnel system. The Army and Air Force are backing the development and implementation of DIMHRS.

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178 GAO, "DOD Systems Modernization: Management of Integrated Military Human Capital Program Needs Additional Improvements," GAO-05-189 (Report to the Secretary of Defense), February 2005, Appendix 1, p. 31.

179 GAO, "Military Personnel: The Navy Has Not Provided Adequate Justification for Its Decision to Invest in MCTFS," GAO-07-1139R (Report to Congressional Committees), July 25, 2007.

180 Colonel Riley, telephone conversation, July 9, 2007.

181 "Report from the Secretary of the Navy to the Congressional Defense Committees and the Comptroller General on the Marine Corps Total Force System (MCTFS)," April 2007, Executive Summary, p. 1. For their timeline, see DIMHRS Program Management Review, May 3, 2007, slide 11, titled "Notional High-Level Schedule with Department of the Navy."

182 GAO, "Military Personnel: The Navy Has Not Provided Adequate Justification for Its Decision to Invest in MCTFS," p. 3.

183 The Honorable David M. Walker, Comptroller General of the United States, prepared witness statement before the CNGR, Hearing on Managing an Integrated Active and Reserve Force, June 20, 2007 ([www.cngr.gov/June%2019-21/Walker%20Statement.pdf](http://www.cngr.gov/June%2019-21/Walker%20Statement.pdf)), pp. 19–20; Christine E. Wormuth, Michèle A. Flournoy, Patrick T. Henry, and Clark A. Murdock, *The Future of the National Guard and Reserves: The Beyond Goldwater Nichols Phase III Report* (Washington, DC: Center for Strategic and International Studies, 2006), pp. xiii, 99; "Report from the Secretary of the Navy on the Marine Corps Total Force System (MCTFS)," April 2007, Executive Summary, p. 1.

184 Wormuth et al., *The Future of the National Guard and Reserves*, pp. 99–100.

185 MFR, DIMHRS Program Briefing to the Commission, May 3, 2007.



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Many entities and Defense agencies will be affected by the adoption of the DIMHRS system. The Defense Manpower Data Center (DMDC) has been a key player at every step of the development of DIMHRS and will automatically coordinate with the system once it is operational. Today DMDC is the repository for personnel information—including on benefits and health care—for members of all services. DMDC will continue to maintain data and information on service personnel because of its multiple interfaces with outside agencies, notably the Department of Veterans Affairs, TRICARE (benefits determination), and the Defense Finance and Accounting Service. DFAS is another critical agency that will be utilizing DIMHRS information and will keep playing an essential role in the timely and accurate payment of service personnel.

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Simplifying duty statuses would reduce the risk of system and input errors and lessen the complexity of DIMHRS.

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The multiplicity and complexity of duty statuses and duty categories are causing significant challenges for DIMHRS,<sup>186</sup> as they necessitate a very complicated set of requirements and create a major hurdle that the DIMHRS programming team must overcome. Because the software being utilized is a commercial, off-the-shelf product, built by and intended for the civilian community, which generally is accustomed to just two duty statuses—part-time and full-time—the military’s reliance on multiple duty statuses considerably complicates the system’s design. The Office of the Under Secretary of Defense for Personnel and Readiness is working through a spreadsheet to document the thousands of status and category combinations.<sup>187</sup> Such intricacies have hampered the development of DIMHRS and put the implementation schedule in jeopardy, though OUSD(P&R) staff expect to finalize the system on time. Simplifying duty statuses would reduce the risk of system and input errors and lessen the complexity of DIMHRS.

**Finding:** DIMHRS relies on a service member’s duty status to take important pay and personnel action. Reducing and simplifying duty statuses would improve DIMHRS’s ability to handle pay and personnel processing.

### Recommendation:

21. DOD should implement a combined pay and personnel system as soon as possible to rectify the inadequacies in today’s legacy systems. Further, this implementation, together with the reduction and simplification of duty statuses and duty categories (see Recommendation #22), should receive immediate attention at the highest levels of DOD leadership. Whether DOD implements a single system or multiple systems as part of a larger enterprise architecture, the military personnel and pay system must be streamlined and made more efficient. It must provide better service to military personnel and their families, including accurate records of service and timely and error-free delivery of compensation, benefits, and entitlements.

## F. DUTY STATUS REFORM

Effective personnel management requires systems and tools that allow commanders to gain access to reservists when needed. One area in need of reform is the use of the reserve duty status. Personnel managers have long created ways to work around duty statuses and manipulate reserve systems to

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186 MFR, DIMHRS Program Briefing, May 3, 2007.

187 MFR, DIMHRS Program Briefing, May 3, 2007.

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bring a reservist on duty to accomplish a mission or fulfill a requirement. In other cases, personnel managers have been unable to access the reserve personnel they need because of constraints on the various duty statuses. The current duty status system makes it difficult to gain a real understanding of requirements for and use of reserve component members. It is complex, aligns poorly to training and mission support requirements, fosters inconsistencies in compensation, and complicates rather than supports effective budgeting and execution.

Since the first militia was established in the Colonies, a military status has been assigned to all physically fit males eligible for military service. In 1792, the Second Congress of the United States passed an act that differentiated between men being called out for “service” and called out for “exercise”—the latter did not require them to bring knapsacks.<sup>188</sup> The Militia Act of 1903, often called the Dick Act, established two classes of militia—“the organized militia, thenceforth to be known as the National Guard[,] . . . and the reserve military, composed of all other similar forces that were not a part of the National Guard.” The Dick Act also required members of the National Guard to attend 24 drills and five days of annual training yearly. The National Defense Act of 1916 increased the number of annual training days to 15, and the number of yearly drills to 48. In 1920, National Guardmen became entitled to “drill pay”—at a rate of one-thirtieth of the base pay for their grade for each regular drill or assembly attended. In 1952, Congress divided the reserves into a Ready Reserve, Standby Reserve, and Retired Reserve, making further distinctions among reservists.<sup>189</sup>

Subsequently, many additional statuses have been created by Congress—as well as the services—with implementing guidance by the Department of Defense and the reserve components. Some of the statuses (now called “duty statuses”) are established in statute, as Congress has spelled out the purpose of and constraints on the use of the reserves; others have been created by DOD as new roles and missions for the reserves developed. According to an 18-month study commissioned by the Office of the Assistant Secretary of Defense for Reserve Affairs, there are a total of 29 duty statuses set forth either in DOD directives or by law, only slightly more than half of which are named by statute.<sup>190</sup> In a 2004 report, DOD noted that “there are 32 different duty statuses and each Service has variations of those 32 duty statuses, which only adds to the confusion.”<sup>191</sup>

Active component members have a single duty status—“active duty”—while reservists serve in an array of statuses that are driven by a wide range of policies, laws, and types of duty. More specifically, the statuses vary with respect to

- Authority in United States Code (Titles 10, 14, or 32).
- Funding appropriation (military personnel appropriations or reserve personnel appropriations).
- Commitment (voluntary or involuntary).
- Mission (training, support, or operational).
- Duty (active duty or inactive duty).

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188 Wexford Group International, *Reserve Component Military Duty Status Study: Considerations on Changing the Reserve Component Duty Status System (Phase II, Task 3)*, October 31, 2002, p. 4.

189 These laws are discussed in the *Military Compensation Background Papers*, 6th ed. (published under the auspices of the Under Secretary of Defense (Personnel and Readiness), May 2005), pp. 229, 230, 232, 234–35, 242.

190 Wexford Group International, *Reserve Component Military Duty Status Study (Phase II, Task 3b)*, pp. 4, 5.

191 *Department of Defense Report to Congress: Reserve Personnel Compensation Program Review* ([Washington, DC]: Office of the Under Secretary of Defense for Personnel and Readiness, 2004), p. 25, hereafter cited as *Reserve Personnel Compensation Program Review*.

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- End strength accounting (active component, reserve component, or Active Guard and Reserve [AGR]).<sup>192</sup>

These factors help explain the proliferation of duty statuses. As military strategy and reserve roles and missions changed, new duty statuses were created to solve problems that arose or to codify an existing practice, guaranteeing that all reserve activity would fall within the definition of at least one status.

The Total Force Policy and the drive for a more cost-effective military have significantly changed how the reserve components are used, thereby affecting reserve statuses. The reserves are no longer the force held back, to be mobilized during war only to augment the active component or provide casualty replacements. Today they are an integrated partner on the battlefield and often among the first called to duty. The increased reliance on and use of the reserves has brought to wider attention the labyrinthine system of reserve duty statuses. These complexities, embedded in law, regulation, and policy, have created a system unable to support either the member or the commander leading a joint and total force of active and reserve personnel. The system of duty statuses simply does not foster the effective use of our military today.

U.S. military leadership has known for many years that the reserve component duty statuses are problematic. A review, directed by the 2001 Quadrennial Defense Review, plainly acknowledged the need for reform: the current duty status “system is complex, aligns poorly to current training and mission support requirements, fosters inconsistencies in compensation, and complicates rather than supports effective budgeting.”<sup>193</sup>

### Analysis of Duty Status Issues

Reforming the duty status system involves issues of the ease of employment and administration of reservists as well as fairness in their compensation. This section examines (1) concerns of accounting and financial stakeholders, (2) identified problems with the current duty status construct, and (3) the characteristics of an optimal duty status system.

#### *Accounting and Financial Stakeholders*

Those who have a stake in duty status classifications need a system that satisfies many different requirements. The high number of different requirements that they have identified and mandated helps explain why so many duty statuses exist today. Any future system will need to satisfy those who use and benefit from the current duty statuses. Stakeholders fall into two major categories: those who account for reservists and those who have an interest in reservists’ pay and compensation.

Accounting stakeholders are the individuals responsible for recording the purpose of, type of, and reason for each reservist’s duty. The process is often driven by managers of the military and reserve components, who rely on established laws and policies to count reservists. These stakeholders include personnel administrators, who are responsible to their commanders for an accurate accounting of personnel assigned to the unit; judge advocates, who are concerned with the legal constraints placed on reservists; the services, which must account for end strength; and Congress, which oversees the nation’s use of the reserve component and often establishes the accounting requirements. Lacking a single point or office at the headquarters level “where both the fiscal management and the personnel management come together for management or analysis” complicates the reserve components’ ability to “identify and track between the budgeted level of duty status participation and the amount

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192 Wexford Group International, *Reserve Component Military Duty Status Study (Vol. 1, Recommendations)*, p. 2.

193 *Review of Reserve Component Contributions to National Defense*, directed by the 2001 Quadrennial Defense Review ([Washington, DC: Office of the Assistant Secretary of Defense for Reserve Affairs], 2002), p. 77.

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of funds actually allocated and expended.”<sup>194</sup> Accounting for the number of reserve personnel on active duty is required by law and policy. Certain categories, such as mobilization and the Active Guard and Reserve (AGR) programs, may continue to require a separate accounting, whatever system of duty statuses is employed.

**Finding:** A complicated framework of laws, policies, and rules developed through the decades since 1916 has resulted in the current byzantine duty status structure.

Financial stakeholders are concerned with the expenditure of money. Today’s duty statuses constitute a complex network of different pays, allowances, and benefits—all linked to a budget’s bottom line. Financial stakeholders include military commanders, who often pay for a reservist’s service out of unit budgets; the individual reservist on duty, who depends on various entitlements; comptrollers and financial managers, who must budget for and pay reservists; and Congress, which funds national defense.<sup>195</sup>

Financial stakeholders must pay close attention to the total compensation a reservist receives. When a reservist enters active duty and is placed in a duty status, two types of compensation are triggered: pay and benefits. Pay includes base pay, incentive pays, housing and subsistence allowances, and travel pay. Benefits include medical, dental, death, and educational assistance, as well as protections such as reemployment rights. All pay and benefits are tied to duty status and depend on the length and location of duty.

Such variables as the length of duty, which affects certain benefits, complicate the financial details. For example, if a reservist’s duty is longer than 30 days, the reservist and the reservist’s family become eligible for medical care.<sup>196</sup> The reservist will also be eligible for a higher basic allowance for housing (BAH) once active duty spans more than 30 days (a cutoff lowered from 140 days in 2006).<sup>197</sup> And, depending on the type, duty lasting more than 140 days that is served away from the reservist’s home of record will make him or her eligible for a permanent change of station (PCS).<sup>198</sup> The location of duty can also trigger special pay and allowances such as hardship duty pay, career sea pay, and hostile fire and imminent danger pay.<sup>199</sup>

**Finding:** Today’s duty statuses are confusing and frustrating to both the reserve component members and their operational commanders. The current operational environment demands simplicity, compatibility, and administrative clarity to meet training and mission requirements.

In the current Planning, Programming, and Budgeting System (PPBS), financial stakeholders are required to track programmed dollars for many of the duty statuses and tie the use of reservists to the expenditure of the funds. Multiple duty statuses create obstacles to tracking reserve expenditures. Not all of the 29 identified duty statuses are tied to an appropriation or are sub-items within the overall RC budget,<sup>200</sup> and financial stakeholders find it difficult if not impossible to accurately calculate the compensation for reservists in various statuses. According to GAO, DOD’s “military compensation system has become an increasingly complex and piecemeal accretion of pays, allowances, benefits, and special tax preferences,” and “decision makers do not have a true picture of

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194 Wexford Group International, *Reserve Component Military Duty Status Study (Vol. 1, Recommendations)*, p. 27.

195 Wexford Group International, *Reserve Component Military Duty Status Study (Vol. 1, Recommendations)*, p. 20.

196 10 U.S.C. §§1074, 1074a, 1076, 1079.

197 Public Law 109-163, *NDAA for FY 2006*, §610. BAH is discussed in Chapter V.

198 OASD-RA, “Pay and Benefits” ([www.defenselink.mil/ra/mobil/pdf/benefits.pdf](http://www.defenselink.mil/ra/mobil/pdf/benefits.pdf)).

199 “Understanding Special Pay,” Military.com: Benefits, 2007 ([www.military.com/benefits/military-special-pay/index](http://www.military.com/benefits/military-special-pay/index)).

200 Wexford Group International, *Reserve Component Military Duty Status Study (Vol. 1, Recommendations)*, p. 27.

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what it costs to compensate service members.”<sup>201</sup> Budgeting processes are based on artificial distinctions in duty status that complicate the allocation of resources and obscure the understanding of the actual work and training being performed. Reducing duty statuses will simplify the budgeting process and improve the visibility and tracking of funds expended for reserve use.

**Finding:** The current multilayered management system fails to guarantee protections for the reserve component members, to encourage participation, or to promote a continuum of service.

### *Identified Problems with the Current Duty Status Construct*

**Complexity.** Multiple duty statuses produce complex rules and procedures that are highly inefficient, inhibit volunteerism, and increase the difficulty of accessing reservists to perform operational missions. The complexity of dealing with 29 duty statuses has frustrated combatant commanders, unit leaders, and reservists alike, as they often must resort to tortuous strategies to ensure that reservists receive the proper form of associated pay and benefits.<sup>202</sup>

**Inactive Duty Training.** IDT, established more than 90 years ago, was premised on reservists’ serving in local units and being obligated to attend weekly drills, in order to maintain a strategic reserve;<sup>203</sup> over the years, a patchwork of inconsistent laws and policies was created around it. But changes in reserve missions and force structure, advances in technology that make possible distance learning, the requirements of an operational reserve, and the development of new and advanced warfighting equipment have made the original design of IDT obsolete: it does not support today’s military.

**Appropriation and Budgeting.** The budgeting process today is based on artificial duty status distinctions that complicate the allocation of resources and obscure the understanding of the work and training actually being performed. The current Planning, Programming, and Budgeting System does not link programmed dollars to duty statuses and thus lacks the ability to track the funds expended on reservists used in particular duty statuses. Optimally, every duty status would be tied to an appropriation or sub-item in the overall RC budget.<sup>204</sup>

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Multiple duty statuses produce complex rules and procedures that are highly inefficient, inhibit volunteerism, and increase the difficulty of accessing reservists to perform operational missions.

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**Inconsistencies in Compensation.** One sticking point in previous attempts to simplify duty status categories has been the difference between the pay and allowances received when the reserve component member is either activated or in an active duty training status and the pay received for two drills per day when the member is in an inactive duty training status, a pay structure dating to 1920.<sup>205</sup> The Commission notes that the controversy surrounding this issue is based on the different perspectives from which those involved view the same facts. For example, on a given weekend, a

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201 GAO, “Military Personnel: DOD Needs to Improve the Transparency and Reassess the Reasonableness, Appropriateness, Affordability, and Sustainability of Its Military Compensation System,” GAO-05-798 (Report to Congressional Committees), July 2005, Highlights (n.p.).

202 Reserve Forces Policy Board, *Annual Report* (2006), p. 15.

203 Wexford Group International Briefing, “A Duty Status System for the Future,” 2002, p. 26.

204 The Wexford Group International, *Reserve Component Military Duty Status Study* (Vol. 1, Recommendations), p. 52.

205 *Military Compensation Background Papers* observes that the current drill pay structure of one-thirtieth of base pay of reservists’ grade for each regular drill attendance, enacted by Public Law 242, 66th Congress, dated June 4, 1920, continues basically unchanged in existing law today (p. 235).



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reservist on drill duty could be working side by side with an active component member. The active component member could feel resentment at receiving only one day's pay for the same activity that for the reservist counts as two paid drills. The same two service members could be enjoying an off-duty activity the following weekend, and the reservist, not on duty that weekend, could resent that the active component member is being paid for a day off.

As DOD's 2004 report on reserve compensation noted, "Transitioning to a system in which—like active duty members—a day of duty is a day of duty would make it much easier to employ Guard and Reserve members. It would also help to reduce the frustration experienced by combatant commanders when they want to employ reserve component members."<sup>206</sup>

Glenn Gotz of the Institute for Defense Analysis observed that the current compensation structure encourages reservists to prefer an inactive duty training day to a day of active duty, whether for active duty training or for providing operational support to meet active component requirements. His solution is to move to one day's active duty pay per duty day, and to include allowances, in lieu of the current two drills per day for inactive duty training.<sup>207</sup> The problem with this approach is that individual service members would lose money in the changeover: the amount paid for two drills per duty day is greater than a day's pay for an active duty member, even after the subsistence and housing allowances are added to the latter.

Gotz cited analysis by the Assistant Secretary of Defense for Reserve Affairs of possible methodologies to create a variable "participation pay" to prevent the reserve member from losing out-of-pocket income under this system. That analysis is detailed in DOD's 2004 report to Congress on reserve compensation,<sup>208</sup> which emphasized that changing to a new active duty status system should not cause the individual reservist to suffer a reduction in either the level of compensation received or retirement credit earned. The Commission shares this concern and considered several "participation pay" and "save pay" options to address it, as well as possible ways to handle current single drill periods, such as additional flight training periods or a single evening's duty. The Commission recognizes the continued salience of this issue, which would benefit from additional analysis. However these details are addressed, reserve pay should recognize the unique sacrifices made by reservists who take time off from their civilian careers to serve their country and should incentivize the increased commitments asked of those serving in the operational reserve. One approach to dealing with the problem is illustrated in Table III.1.

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206 *Reserve Personnel Compensation Program Review*, p. 26.

207 Glenn Gotz, "Restructuring Reserve Compensation," in *Filling the Ranks: Transforming the U.S. Military Personnel System*, ed. Cindy Williams (Cambridge, MA: MIT Press, 2004), pp. 183–85.

208 *Reserve Personnel Compensation Program Review*, pp. 26–31.

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Table III.1. Duty Status Reform: Training and Drill

Types of Duty	Current System	Proposed System
	The current system of reserve training is tied to the accrual of pay and benefits, including retirement, in the following manner. Reservists participate in the types of training listed below, with the associated pay and benefits.	The changes to the reserve training system proposed below support the reformed duty statuses; they may require legislation to implement.
<b>Annual Training</b>	14–15 days per year.	No change.
	With benefits.	No change.
	1 retirement point per day.	No change.
<b>Drill Periods</b>	48 (4-hr) periods per year.	24 days per year.
	Without benefits.	With benefits.
		Selected Reserve incentive pay that makes up the difference between active duty pay and multiple drill periods, paid monthly.
		“Save Pay” during 5-year implementation phase, followed by military compensation system adjustments (e.g., bonuses) as needed for retention.
	1 retirement point per period.	Retain retirement points calculation—2 per day.
		May be done in ½-day increments.
<b>Additional Periods:</b>		
<b>Additional Training Periods (ATPs)</b>		
<b>Additional Flying &amp; Flight Training Periods (AFTPs)</b>		
<b>Readiness Management Periods (RMPs)</b>		
	Earned: 4-hour minimum.	Earned: 4-hour minimum.
	Paid: 1 day’s base pay.	Paid: ½ day’s base pay.
	Without benefits.	With benefits.
	No retirement points awarded.	1 retirement point per period.

*Characteristics of an Optimal Duty Status System*

A new duty status system should foster the ideal of a continuum of service. Current laws and policy, which are geared to using the reserves in their traditional strategic role, do not promote smooth transitions between active and reserve statuses. Today’s duty status structure does not support today’s reality of total force utilization. To take full advantage of the capabilities of the reserve components, relieve stress on the total force, and use the total force most efficiently, laws and policies regulating access to the reserves must reflect their current operational use.<sup>209</sup> The duty status system as now

209 Reserve Forces Policy Board, *Annual Report* (2006), p. 15.

configured restricts access to reservists and does not promote a continuum of service, because of its complexity, the inconsistencies in compensation, and the lack of transparency in funding.<sup>210</sup> The future duty status system should simplify the process of bringing a reservist on active duty. Moreover, the operational reserve requires a structure that can

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Current laws and policy . . . do not promote smooth transitions between active and reserve statuses.

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engage reservists over a career in both an active duty and a reserve status, thereby promoting a continuum of service. A new duty status system should enable members and units to undertake duty periods varying from a few days per year up to a full year or more, in ways that meet the needs of DOD, the service member, and his or her family and employer.<sup>211</sup> Finally, a new duty status system should take advantage of a reservist's willingness to serve—building a more balanced force and providing a better value for the nation.

#### Recommendations:

22. DOD should reduce the number of duty statuses from the current 29 to 2: on (active) duty and off (active) duty. All reserve duty will be considered active duty, with appropriate pay and other compensation. The 48 drills should be replaced with 24 days of active duty. A day's pay should be provided for a day's work without reducing compensation for current service members. The system should be sufficiently flexible to deal with service-specific training requirements.
23. During the transition to two duty statuses, DOD should uncouple existing statuses from pay and other compensation, substantially reduce the number of duty statuses, and standardize them across the services for ease of understanding and use.
24. DOD should develop a plan to implement these changes within two years of this report, and should complete their implementation within five years of the report's issuance.

### The Operational Support Manpower Accounting Category

Each year Title IV of the National Defense Authorization Act prescribes both active and reserve component end strengths: the maximum number of people that can be counted within each service and component.<sup>212</sup> Following September 11, 2001, and after the start of operations in Afghanistan and Iraq, the active duty force needed more assistance from reserve component members, yet leaders were concerned that those reservists would count against active duty end strength and active duty grade tables. In addition, reserve component members were concerned that they would have to compete for promotion against active duty members rather than other reservists.

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210 *Review of Reserve Component Contributions to National Defense*, pp. 77–78.

211 Reserve Forces Policy Board, *Annual Report* (2006), p. 15.

212 As codified in 10 U.S.C. §115.

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*Active Duty for Operational Support*

In 2004 Congress created, at DOD's request, a new category for counting reserve component strength called active duty for operational support (ADOS).<sup>213</sup> It is composed of reserve component members who volunteer for active duty for operational support missions, and it replaces "active duty for special work" and some smaller categories.

The change was designed to address two problems. First, under the previous system, reservists on active duty for 180 days or more counted against active duty end strength; and second, officers who became eligible to be considered for promotion had to compete on the active duty list (ADL) rather than on the reserve active status list (RASL), a requirement that placed many of them at a significant disadvantage. In response, the services undertook numerous work-arounds, moving reservists onto active duty and then taking them off just before the 180-day threshold would be crossed.

The new operational support category offers a new way to track reserve component personnel. Those who are on voluntary active duty providing operational support can remain on active duty for up to three years, or for three years cumulatively over a four-year period, without being counted against active duty end strength. The law also allows reserve personnel to be exempted from certain officer and enlisted grade limits found in 10 U.S.C. §§523 and 115. Once signed into law by the President, section 416 of P.L. 108-375 added section 115(b) to Title 10 of the United States Code, specifying which members of the reserve component fall into this new accounting category.<sup>214</sup>

As part of the language establishing the operational support accounting category, Congress asked DOD to define operational support and also to report on those duty statuses to be excluded from the new category.<sup>215</sup> On October 4, 2005, Under Secretary of Defense for Personnel and Readiness David S. C. Chu submitted DOD's report, which contained a definition of operational support, offered service implementation guidelines for the new category, and identified two categories of

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213 A provision was added to the House Armed Services Committee's fiscal year 2005 Defense authorization bill (H.R. 4200) creating a new reserve component category for end strength accounting. Its origin lay within the Department of Defense legislative package. Section 404 of the bill "established the requirement for an annual congressional authorization of the maximum number of reserve component personnel to be on active duty or full-time national guard duty providing operational support" (House Report 108-491, on the National Defense Authorization Act for Fiscal Year 2005, 108th Cong., 2nd sess., May 14, 2004, pp. 306-7). The conference agreement that year, the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375), included section 404 (now section 416) and the authorizing provision for the Commission on the National Guard and Reserves. Within that authorization, Congress asked the CNGR to "assess the Department of Defense plan for implementation of section 115(b) of title 10, United States Code, as added by section 416" (§513).

214 See 10 U.S.C. §115(b)(1):

- (A) active duty under section 12301(d) of this title for the purpose of providing operational support, as prescribed in regulation issued by the Secretary of Defense;
- (B) full-time National Guard duty under section 502(f)(2) of title 32 for the purpose of providing operational support when authorized by the Secretary of Defense;
- (C) active duty under section 12301(d) of this title or full-time National Guard duty under section 502(f)(2) of title 32 for the purpose of preparing for and performing funeral honors functions for funerals of veterans under section 1491 of this title;
- (D) active duty or retained on active duty under sections 12301(g) of this title while in a captive status; or
- (E) active duty or retained on active duty under 12301(h) or 12322 of this title for the purpose of medical evaluation or treatment.

215 "Secretary's recommendations regarding the exemptions provided in paragraphs (8) through (11) by section 115(i) of title 10, United States Code, as amended by this section. The recommendations shall address the manner in which personnel covered by those exemptions shall be accounted for in authorizations provided by section 115 of such title. The objective of the analysis should be to terminate the need for such exemptions after September 30, 2006" (Public Law 108-375, §416).

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reserve members to be excluded from the category: National Guard members serving in counter-drug billets and reserve component members performing active duty for training.<sup>216</sup>

In its report to Congress, DOD acknowledged that the FY 2006 budget request would contain an increase in the end strength numbers for the operational support category, admitting that the accounting of strength produced in FY 2005 relied on flawed data; the Government Accountability Office later confirmed that there were serious problems with the data.<sup>217</sup> Table III.2 shows the increase in the end strength for the operational support category from its inception in FY 2005 to the current fiscal year.

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216 DOD report to Congress as prescribed by Section 416(l) of the Ronald Reagan National Defense Authorization Act for Fiscal Year 2005, transmitted by Under Secretary David Chu, October 4, 2005. In this report, operational support is defined as follows: active duty, other than active Guard and Reserve duty, under 12301(d) of Title 10, United States Code; full-time National Guard duty, other than active Guard and Reserve duty, under section 502(f)(2) of Title 32, United States Code; and active duty for training performed at the request of an organizational or operational commander, or as a result of reimbursable funding. Guidelines as outlined by DOD further identify specific categories of reserve component members to be accounted for under operational support: all active duty for special work (ADSW), active duty and active duty for training performed as a result of reimbursable funding, funeral honors duty performed not in an inactive duty status, voluntary active duty performed by recall of reserve retirees not receiving regular retired pay, and active duty training performed as a result of a request of an operational commander to provide support. In its response to the tasking to evaluate four paragraphs of 10 U.S.C. §115(i), (8) through (11), the Department commented on paragraph (12) as well, though not specifically directed to do so. DOD found that incorporating the categories of reserve component members listed in paragraphs (9), (11), and (12) into the newly established operational support category was possible and desirable. However, it recommended against incorporating categories contained in paragraphs (8) and (10). Those reserve component members performing active duty for training, but not providing operational support while in the conduct of that training (paragraph 8), and National Guard members performing counter-drug activities under section 112 of Title 32, U.S.C. (paragraph 10), should remain exempt. DOD concluded that because both categories are properly managed and working well today, neither should be included in the new accounting category.

217 After authorizing this increase, Congress tasked the Comptroller General to investigate why it was needed and to examine the methods used by DOD to calculate proposed end strength in the fiscal year 2007 budget request. GAO attributed DOD's increase in strength numbers from fiscal year 2005 to 2006 to "two key factors: data used by DOD to prepare its fiscal year 2005 estimate did not accurately reflect all the reservists voluntarily serving in operational support capacities and DOD had not defined what constituted operational support prior to submitting the fiscal year 2005 estimate." GAO also concluded that there were "inaccuracies and inconsistencies in the data, based in part on definitional problems of categories of reservists to be included in reported numbers, generating data that we believe are not sufficiently reliable" (GAO, "Military Personnel: Reserve Components Need Guidance to Accurately and Consistently Account for Volunteers on Active Duty for Operational Support," GAO-07-93 [Report to Congressional Committees], October 2006, pp. 3, 4). This finding made it almost impossible for GAO to report back to Congress on "factors being used to develop the fiscal year 2007 budget request" (H.R. 1815, the National Defense Authorization Act for Fiscal Year 2006, 109th Congress, 1st sess., May 20, 2005, p. 310). GAO recommended that "DOD and the reserve components develop guidance that clarifies and defines the categories of operational support that should be included in the reported numbers so that accurate and consistent information is reported across the components" (GAO, "Military Personnel: Reserve Components Need Guidance," p. 5). DOD concurred with GAO's recommendation, and on January 29, 2007, Under Secretary Chu issued a memorandum that updated DOD's operational support duty definition, "further clarifying information and guidance on operational support accounting, clarifies the original definition of the term 'operational support,' and amplifies the duty that is covered under this definition" (DOD report to Congress as prescribed by Section 416(l) of the Ronald Reagan National Defense Authorization Act for Fiscal Year, 2005). The memo was followed by Department of Defense Instruction 1215.06, "Uniform Reserve, Training, and Retirement Categories," on February 7, 2007.



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Table III.2. Authorizations for Operational Support by Service, FY 2005–FY 2008

Service	FY 2005	FY 2006	FY 2007	FY 2008
Army National Guard	10,300	17,000	17,000	17,000
Army Reserve	5,000	13,000	13,000	13,000
Naval Reserve	6,200	6,200	6,200	6,200
Marine Corps Reserve	2,500	3,000	3,000	3,000
Air National Guard	10,100	16,000	16,000	16,000
Air Force Reserve	3,600	14,000	14,000	14,000
DOD total	37,700	69,200	69,200	69,200

Sources: P.L. 108-375, P.L. 109-163, P.L. 109-364, House Report 110-477 accompanying H.R. 1585.

Since the implementation of this new category, DOD has testified before Congress and the Commission on its advantages. To the Senate Armed Services Committee in 2005, Under Secretary Chu praised the operational support accounting category:

Under the old rules, constraints in end strength and grade accounting hindered the use of reserve volunteers. We are extremely grateful that last year Congress removed barriers to volunteerism with a new strength accounting category for reservists performing operational support. Because reservists were counted as active duty end strength and were required to compete for promotion against active duty personnel, reservists were reluctant to volunteer for extended periods of active duty. The new continuum of service construct maximizes the use of volunteers, provides greater opportunities for reservists who are able to contribute more to do so, and offers accession and affiliation programs to meet specialized skill requirements.<sup>218</sup>

Chu mentioned the operational support category again in testimony before Congress in 2006 and 2007,<sup>219</sup> and Assistant Secretary of Defense for Reserve Affairs Thomas Hall testified in front of the Commission to the significant advantage that it provides both for DOD in strength accounting and for reserve component members who are seeking greater opportunities to serve:

Similarly, the emphasis on volunteerism has been designed to allow service members who want to contribute more to defense missions to do so. Under the old rules, end strength and controlled grade accounting, and promotion requirements to compete against active duty personnel suppressed the number of volunteers and limited the length of their duty. Reservists were reluctant to volunteer for extended periods of active duty. However, we have implemented the new “operational support” accounting category (authorized in Sections 415 and 416 of the FY 2005 Authorization Act) which has significantly tempered these barriers and provided greater flexibility in Reserve usage. This is a significant supporting element of the continuum of service initiative.<sup>220</sup>

The statement submitted by Principal Deputy Under Secretary of Defense for Personnel and Readiness Michael L. Dominguez also lauded the operational support accounting category. “With the

218 The Honorable David S. C. Chu, prepared statement before the Senate Armed Services Personnel Subcommittee, Hearing on Active and Reserve Military and Civilian Personnel Programs, 109th Cong., 1st sess., April 5, 2005, pp. 5–6.

219 The Honorable David S. C. Chu, prepared statement before the Senate Armed Services Personnel Subcommittee, Hearing on Active and Reserve Military and Civilian Personnel Programs, 109th Cong., 2nd sess., March 1, 2006, p. 8; prepared statement before the Senate Armed Services Personnel Subcommittee, Hearing on Active and Reserve Military and Civilian Personnel Programs, 110th Cong. 1st sess., March 28, 2007, p. 9.

220 Assistant Secretary Hall, prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform, April 12, 2007 ([www.cngr.gov/hearing411-12/Hall%20CNGR%20testimony.pdf](http://www.cngr.gov/hearing411-12/Hall%20CNGR%20testimony.pdf)), p. 21.

new operational support duty,” he observed, “there should be much greater transparency to the member and command as to what duty status the member is performing duty [in].”<sup>221</sup>

DOD appears finally to be accounting for those personnel serving in the operational support category in the way that Congress intended. As noted above, GAO found significant accounting problems within the services and DOD; but after the February 2007 instruction was implemented, DOD and the services were following the same definitions and rules in dealing with the category. Therefore, the Commission concludes that DOD’s plan for dealing with the new reserve component strength accounting laws has been successful.

**Finding:** The Department of Defense has successfully implemented a plan to manage the Active Duty Operational Support category as directed by Congress.

### *Additional Congressional Action*

Section 416 of the National Defense Authorization Act for Fiscal Year 2008 requires DOD to review the long-term operational support missions and submit the results of that review to Congress.<sup>222</sup> The review is intended “to determine whether missions that require such long-term personnel commitments should continue to be manned under the authorizations of section 115(b), or under other manning authorizations.”<sup>223</sup> Section 416 also requires that “future budget justifications materials provided to Congress illuminate the use of the reserve components under section 115(b).”

### *Removing Time Restrictions on Service*

The Commission asked the reserve component Chiefs to respond to questions about the new operational support category. All responding services said they are currently working with it and view it as just another manpower tool; no service called for an increase in the current end strength for its operational support category.<sup>224</sup> Lieutenant General Craig McKinley, Director, Air National Guard, noted that the category allows “an increase in the accessibility of reserve component personnel in the short term” but later throws up a roadblock by imposing the three-year/three-out-of-four-years restrictions. He recommended that the “arbitrary barrier be removed while retaining the strength accounting provisions of the law.”<sup>225</sup>



Commissioners Ball and Eckles  
at December 2006 hearing.

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221 Under Secretary Dominguez, prepared witness statement before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, June 20, 2007 ([www.cngr.gov/June%2019-21/Dominguez%20Statement.pdf](http://www.cngr.gov/June%2019-21/Dominguez%20Statement.pdf)), p. 9.

222 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §416.

223 House Report 110-146, on the National Defense Authorization Act for Fiscal Year 2008, 110th Congress, 1st sess., May 11, 2007, p. 320.

224 See answers to Questions for the Record (QFRs) submitted to the CNGR: Lieutenant General Jack C. Stultz, USA, Chief, U.S. Army Reserve, December 4, 2006, pp. 14–15; Vice Admiral John G. Cotton, USN, Chief, U.S. Navy Reserve, September 26, 2006, pp. 12–13; Lieutenant General John A. Bradley, USAF, Chief, U.S. Air Force Reserve, December 7, 2006, pp. 18–19; Lieutenant General Craig McKinley, USAF, Director, Air National Guard, November 20, 2006, pp. 9–10; Lieutenant General J. W. Bergman, USMCR, Commander, Marine Forces Reserve, October 24, 2006, pp. 11–12.

225 Lieutenant General McKinley, answers to QFR on the San Antonio hearing, July 19, 2006, submitted to the CNGR November 20, 2006, p. 9.

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Removing the time restrictions is an attractively simple solution, but it may have some unintended and unwanted consequences:

- While the reserve component members activated within this category (with the exception of general and flag officers) do not count against active component end strength ceilings, they do count against end strength authorizations for the Selected Reserve of each component. Keeping more than 69,000 reservists on active duty for lengthy tours supporting the active component may impair the ability of the reserve components to fill out their own units and meet other reserve structure requirements.
- Eliminating restrictions on length of tour could diminish the benefits that reserve component members should receive from such a program. A steady turnover of service members serving tours on active duty will spread the valuable experience they gain throughout the reserve force. Conversely, allowing a small number of reservists to serve on extended tours would concentrate that experience in a few individuals. Such an outcome is contrary to the aim of several recommendations by the Commission, here and in the March 1 report, to increase fruitful interchanges between the components.
- Allowing some individuals to serve on extended tours in the operational support category places the larger population of part-time reserve members at a disadvantage in the competition for promotion.

The service requirements now being met by having some reserve personnel serve in operational support capacities for more than 75 percent of the time might be better addressed by increasing active component end strength or by using civilian employees or contractors. Though the category has served a useful purpose by easing access to volunteers for operational missions at a time of great need, it will be phased out if duty status categories are streamlined (as discussed earlier in this chapter). Moreover, the use of the operational reserve regularly deployed as a part of a rotational force and the accompanying changes to mobilization authorities recommended by the Commission would make the ADOS category obsolete.

**Finding:** While some have requested that the current three-out-of-four-years restriction on reserve component personnel serving in the ADOS category should be removed, there are better alternatives to this approach, such as transitioning those ADOS billets to career civilian billets.

**Finding:** The ADOS category provides reserve component members an opportunity to serve voluntarily on active duty for more than 180 days; however, it is not an effective force management tool.

### End Strength Accounting Categories

There is no evidence that end strength, which captures numbers of personnel at a single point in time—September 30 of each fiscal year—is the appropriate metric for determining what force levels should be. As a result, in 1981 Congress passed legislation prohibiting the management of DOD civilian personnel by end strength, full-time equivalent, man-years, or maximum number of employees. Section 129 of 10 U.S.C. states that the “Secretary of Defense and the Secretaries of the military departments may not be required to make a reduction in the number of full-time equivalent positions in the Department of Defense unless such reduction is necessary due to a reduction in funds available to the Department or is required [by] law[.]” This prohibition has made it possible for DOD and the military departments to base the mix of their full- and part-time workforce on the projected workload and the dollars available to perform that workload.

Military personnel should similarly be managed by workload, not by preexisting end strength constraints that planners may seek to circumvent and that thus encourage inefficient practices. As noted above, the ADOS category was created as a structural means to keep reservists who are performing active duty operational support missions from being counted against active duty end strength when they reach 180 days of service. The old work-around—returning the volunteers to a reserve status for a day or two, and then putting them back on active duty again in their operational support role for another 179 days (a procedure that could be repeated indefinitely)—was replaced with a separately authorized manpower category in which they could be counted. Yet the workload requirement and the funds appropriated to accomplish it have remained the same.

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It makes no sense to manage a 21st-century military force . . . within the artificial limits of end strength authorizations.

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It makes no sense to manage a 21st-century military force—composed of personnel fulfilling different levels of commitment—within the artificial limits of end strength authorizations. Such constraints are inconsistent with the efficient operation of a continuum of service. Instead, actual workload should determine the number and type of personnel needed to accomplish required tasks, and funding should reflect that workload. A focus on end strength is anachronistic and deters the efficient management of DOD’s valuable personnel assets.

**Finding:** Managing forces by end strengths is inefficient and makes it necessary to create workarounds to remain within prescribed levels, as the ADOS manpower accounting category itself illustrates. By contrast, Congress recognized the inefficiencies inherent in managing by end strength for DOD civilians in 10 U.S.C. §129.

**Recommendations:**

25. As a part of the process of simplifying duty status categories, Congress should phase out the ADOS category and designate long-term billets as either active duty or civilian or as part of a program that rotates reserve members on full-time active duty tours. Such a program would benefit both the reservists, to whom it would provide career-broadening experience, and DOD, which would take advantage of the unique talents and experience within the reserve component.
26. Congress should cease to manage DOD manpower levels by using authorized end strengths. DOD should budget for—and Congress should fund—personnel, active and reserve, based on requirements and needed capabilities.

## G. AN INTEGRATED RETIREMENT SYSTEM

The non-disability retirement systems today in place for the active and reserve components were designed for a Cold War–era force that relied on a draft. At that time very few inductees remained in uniform past their initial term of service, and the retirement benefit was intended to meet the needs of the relatively small proportion of service members who served a full 20-year career.<sup>226</sup> Even though the current retirement systems have survived more than 35 years of the all-volunteer

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<sup>226</sup> *The Military Compensation System*, p. 3.

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force, the initial call for an all-volunteer force in 1970 was accompanied by ideas on how to reform military retirement.<sup>227</sup>

As it stands, the military offers very generous retirement benefits immediately upon separation to career service members in the active component, a comparable benefit received at age 60 by career service members in the reserve components, and no retirement benefits at all for non-disabled service members who serve for less than 20 years.<sup>228</sup> Thus the increasingly integrated active and reserve components have two separate retirement systems, based almost entirely on the age when a service member receives his or her retirement annuity and with 20-year “cliff” vesting that excludes 85 percent of enlisted personnel and 53 percent of officers from receiving any non-disability retirement benefits.<sup>229</sup> In addition, only 24 percent of reservists remain in the military long enough to be eligible for retirement pay after 20 years.<sup>230</sup>

**Finding:** Maintaining two separate retirement systems for active and reserve personnel does not foster integration, equitable treatment, or fair outcomes.

**Finding:** The 20-year “cliff” vesting of retirement benefits for military personnel excludes most personnel—especially enlisted service members—from receiving any retirement benefits.

The current 20-year vesting point serves as an incentive for service members who complete 8–12 years of service to continue serving through 20 years.<sup>231</sup> In fact, the current retirement system contributes to career paths that may not be optimal for the services. As researchers in the Federal Research Division of the Library of Congress point out,

The services are well aware of the financial costs imposed on mid-careerists involuntarily separated before the 20-year vesting point. As a result, beyond a certain grade or YOS [year of service], their superior officers treat personnel as if they have an implicit contract. The services are reluctant to separate all but the poorest performers because of the negative effect of involuntary separation on morale. These implicit contracts limit the range of experience distributions in the services. The structure of the “desired” force—that is, the force profile modeled by the Department of Defense (DoD) on the premise that many members will be retained to 20 years and lost shortly thereafter—reflects the actual retention patterns resulting from the current compensation system. In actuality, the desired

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227 *The Report of the President’s Commission on an All-Volunteer Armed Force*, pp. 61–62. In discussing reforms to personnel management for an all-volunteer force, this commission indicated that retired pay, because it is a deferred benefit, has “little value to an individual in his early years of service” and recommended earlier vesting.

228 See DOD Office of the Actuary, *Fiscal Year 2006 DOD Statistical Report on the Military Retirement System*, May 2007, p. 5 ([www.defenselink.mil/actuary/statbook2006.pdf](http://www.defenselink.mil/actuary/statbook2006.pdf)). The current military retirement system gives service personnel who serve for 20 years a defined pension annuity. For active component service members, this annuity may be collected immediately upon retirement; it is equal to 2.5 percent of the average of their three years of highest annual basic pay multiplied by years of service, with a cap at 30 years of service, or 75 percent of “high-3” pay. Service members are also given access to the government’s Thrift Savings Plan, but are not entitled to any contribution from the Department of Defense. For reserve component service members, this annuity may be collected at 60 years of age; it is based on a points system in which 360 points convert to a year of service. The accumulated points are used to calculate a benefit proportionately equivalent to that given an active component service member of similar pay grade (pp. 5–7).

229 *The Military Compensation System*, p. 17.

230 Comptroller General Walker, prepared statement, June 20, 2007, p. 25.

231 *The Military Compensation System*, p. 18.



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force, influenced and constrained by the current retirement system, differs significantly from one based on job-determined requirements.<sup>232</sup>

Decades ago, the Gates Commission noted that 20-year retirement encourages service members to retire as soon as they are eligible, in some cases as early as age 37. Many of those who retire early are individuals with the best salary and employment opportunities in the civilian sector and thus are “precisely the individuals the services would like to retain longer.”<sup>233</sup>

Modifications to the current 20-year cliff vesting will provide the services with more force management options. Vesting at 10 years should serve as an incentive to retain individuals whom the services wish to serve beyond a first enlistment but for less than 20 years. At the same time, however, greater up-front compensation—what the Defense Advisory Commission on Military Compensation called “gate pay” (the additional pay or bonus that the member receives upon completing a specific year of service)<sup>234</sup>—will be needed to persuade members to stay whom the services wish to retain beyond the 10-year vesting point.

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Modifications to the current 20-year cliff vesting will provide the services with more force management options.

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**Finding:** Lowering the time needed for vesting will have to be accompanied by additional up-front compensation if current rates of personnel retention are to be maintained or improved.

According to GAO, the deferred benefits granted to the reserve components between 2000 and 2006 have increased almost 250 percent, and they are largely responsible for the nearly 50 percent overall increase in reserve compensation since the beginning of the global war on terror. Overall, cash benefits have risen 18.8 percent; non-cash benefits that are not deferred, 29.1 percent. These increases may be explained by the increased operational use of the reserve components, but in any case they are dwarfed by the more than threefold increase in deferred compensation.<sup>235</sup> In 2006, DACMC found that in the active duty military as well, the current retirement system provides an inefficiently large amount of deferred compensation.<sup>236</sup>

Alternatives have been proposed to create a more cost-effective method of compensating service members and to provide better options for force management. Both DACMC and a 2005 Rand report commissioned by the Department of Defense to look into congressional proposals on reserve retirement advocated greater reliance on up-front compensation—particularly in the form of bonuses and gate pay—to promote force retention and increase personnel management flexibility more cheaply than by using retirement benefits or other forms of deferred compensation.<sup>237</sup>

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232 Rex Hudson and Alice R. Buchalter, “A Summary of Major Military Retirement Reform Proposals, 1976–2006” (Washington, DC: Federal Research Division, Library of Congress, 2006), p. 2.

233 *The Report on the President’s Commission on an All-Volunteer Armed Force*, p. 62.

234 *The Military Compensation System*, p. xxii.

235 GAO, “Military Personnel: DOD Needs to Establish a Strategy and Improve Transparency over Reserve and National Guard Compensation to Manage Significant Growth in Cost,” GAO-07-828 (Report to Congressional Committees), June 2007, pp. 21, 5, 20.

236 *The Military Compensation System*, p. 23.

237 *The Military Compensation System*, p. 24; Beth Asch, James Hosek, and Daniel Clendenning, “A Policy Analysis of Reserve Retirement Reform,” Restricted Draft, Rand Corporation, April 2005, p. xviii. DACMC made a number of recommendations for reforming the active component retirement system, not unlike those recommended in this report. The recommendations included early vesting in a thrift savings plan, a defined benefit pension received at age 60, and additional offsetting compensation incentives to produce desired retention.

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**Finding:** Deferred compensation is an ineffective means of force management.

The use of deferred compensation in the form of retirement pay is even more pronounced in the compensation of active component service members. In large part because they receive an annuity immediately upon retirement, the federal government paid \$33.8 billion to retired active component service members in fiscal year 2006.<sup>238</sup> This sum is greater than what any state (except New York and California) spent on total appropriations over the same period.<sup>239</sup> In addition to active component retirement, the federal government paid out \$1.25 billion in disability retirement benefits, \$3.5 billion in reserve retirement, and \$2.6 billion in survivor benefits.<sup>240</sup>

Members of the United States military unquestionably deserve generous retirement benefits, but the enormous amount spent on a retirement system that excludes so many who have served raises legitimate questions about whether an approach can be devised that is both more fair and more cost-effective. If such a reformed system could offer benefits to greater numbers of service members and provide them with additional up-front compensation, then taxpayers could see costs reduced while still honoring the service of the men and women in America's armed forces.

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Members of the United States military unquestionably deserve generous retirement benefits, but the enormous amount spent on a retirement system that excludes so many who have served raises legitimate questions.

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**Finding:** In the existing system, eligible members of the active component receive an immediate annuity upon retirement. As average life spans increase, this practice is contributing to the accelerating cost of military manpower and is not sustainable. The nation spends approximately \$34 billion per year on active duty retirement pay.

Various proposals have recently been made by Congress to lower the reserve retirement age, and Rand has analyzed how they would affect retention and cost.<sup>241</sup> Section 647 of the National Defense Authorization Act for Fiscal Year 2008 will lower the retirement age by three months for every 90 days of duty in support of a contingency operation, but it is applicable only to service after the date of enactment.<sup>242</sup> Despite sharing the desire of the congressional sponsors to reward reserve component service members for their service, the Commission opted instead to focus on retirement changes that would foster the long-term goal of an integrated total force and improved force management. A better model is provided by DACMC's recommendations, with some modifications to mirror the approach taken by the Federal Employee Retirement System (FERS), including its treatment of retirement age.<sup>243</sup>

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238 DOD Office of the Actuary, *Fiscal Year 2006 DOD Statistical Report on the Military Retirement System*, 2007, p. 6.

239 National Governors Association, National Association of State Budget Officers, "The Fiscal Survey of the States," June 2007, p. 27.

240 DOD Office of the Actuary, *Fiscal Year 2006 DOD Statistical Report on the Military Retirement System*, pp. 6–8.

241 Asch, Hosek, and Clendenning, "A Policy Analysis of Reserve Retirement Reform." The congressional proposals include S. 648 (proposed by Senator Saxby Chambliss) and H.R. 1428 (proposed by Representative Tom Latham), which would reduce the retirement age for reservists by three months for every 90 days of active duty service in support of a contingency operation, to a maximum reduction to the age of 50; H.R. 690 (proposed by Representative Jim Saxton) and S. 1243 (proposed by Senator John Kerry) would reduce the retirement age from 60 to 55.

242 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §647.

243 See U.S. Office of Personnel Management, "FERS: Federal Employee Retirement System: An Overview of Your Benefits," April 1998, pp. 6–7 (<http://fehbm.opm.gov/forms/pdfimage/RI90-1.pdf>).

Moreover, the system of retirement benefits does not conform to today's best business practices. The Department of Defense allows service members to contribute to the government's Thrift Savings Plan (a personal retirement account similar to a private company's 401(k) plan), but it makes no agency contributions to the plan—as many civilian employers do (and as does DOD for its civilian employees).<sup>244</sup> That the Thrift Savings Plan is portable for service members after separation adds to its appeal, especially for reserve personnel who maintain civilian careers while serving in the military, and government contributions would markedly enhance its value.

**Finding:** Service members are the only U.S. government personnel whose contributions to the Thrift Savings Plan program are not supplemented by the government.

One of the reasons frequently given for not offering an annuity to reserve component service members immediately upon retirement is that they already have established civilian careers.<sup>245</sup> Though this argument seems logical, it ignores the increasing amount of time that reservists are asked to spend away from their civilian jobs, often at the cost of career advancement. It is thus important to provide reserve personnel with a generous separation package, which can offer some compensation for what they have sacrificed in their civilian careers. The Commission's recommendations therefore address earlier vesting and transition benefits for both the active and reserve components.

**Finding:** Upon their retirement, longtime service members require and deserve a smooth financial transition from military life.

Reforms to the military retirement system have been proposed repeatedly—by the Gates Commission (1970), the Defense Manpower Commission (1976), the President's Commission on Military Compensation (1978), the Fifth Quadrennial Review of Military Compensation (1982), the Sixth Quadrennial Review of Military Compensation (1988), the Defense Science Board (2000), the Officer Management Group (2000), the Review of Morale and Quality of Life (2001), and the Defense Advisory Committee on Military Compensation (2006)—and the upcoming 10th Quadrennial Review of Military Compensation will offer similar arguments.<sup>246</sup> Yet over the past half century, the military retirement system has changed little.<sup>247</sup>

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The new system should achieve integration of the active and reserve components, equal treatment of service members regardless of component, and fair compensation for all, not just the minority of military personnel who serve for 20 years.

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Systemic reforms cannot be accomplished without a carefully planned transition period. The closest model is offered by the change from the Civil Service Retirement System (CSRS) to the Federal Employees Retirement System in the civilian sector of the federal government two decades ago. All employees who joined the federal workforce after 1984 were automatically enrolled in FERS, which was fully adopted in 1987. Federal employees already enrolled

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244 See "TSP Features for Civilians," chap. 1, "The Thrift Savings Plan 2007-08-20" ([www.tsp.gov/features/chapter01.html](http://www.tsp.gov/features/chapter01.html)); "TSP Features for Uniformed Services," chap. 1, "The Thrift Savings Plan 1007-03-27" ([www.tsp.gov/uniserv/features/chapter01.html](http://www.tsp.gov/uniserv/features/chapter01.html)). The service Secretaries are authorized to offer matching contributions to personnel with designated, critical specialties ("Thrift Savings Plan," Military.com Benefits, [www.military.com/benefits/military-pay/thrift-savings-plan](http://www.military.com/benefits/military-pay/thrift-savings-plan)), but to date no such program has been implemented.

245 Beth J. Asch, James Hosek, and David S. Loughran, *Reserve Retirement Reform: A Viewpoint on Recent Congressional Proposals* (Santa Monica, CA: Rand, 2006), pp. 10–11.

246 *The Military Compensation System*, p. 28; on the 10th Quadrennial Review of Military Compensation, see brief presented to CNGR by Brigadier General Denny Eakle (ret.), September 17, 2007; Hudson and Buchalter, "A Summary of Major Military Retirement Proposals, 1976–2006," p. 2.

247 *The Military Compensation System*, pp. 16–17.

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in CSRS were given the option of switching to FERS before its full implementation, while CSRS-eligible employees who chose to continue with that program were allowed to continue accumulating benefits in it.<sup>248</sup> Because the reforms recommended to the current non-disability military retirement system are more comprehensive, the changeover to an integrated retirement system should be allowed more time.

To effectively reform the non-disability military retirement system, action must be taken on the recommendations below, or on similar proposals. The new system should achieve integration of the active and reserve components, equal treatment of service members regardless of component, and fair compensation for all, not just the minority of military personnel who serve for 20 years. Further, updating the military version of the Thrift Savings Plan to allow both a small automatic government contribution, as in FERS and as recommended by DACMC,<sup>249</sup> and some level of matching government contributions would give service members private retirement nest eggs that they could take with them into civilian life. The transition period recommended by the Commission will allow an interval to assess the level of interest in and the desirability of a new system and give Congress time to react to these changes, which we believe will have a positive impact on force management.

A single system for both active and reserve component members would be an important component of an integrated personnel management structure and would foster a continuum of service, as envisioned in other changes recommended by the Commission.

### Recommendations:

27. Congress should amend laws to place the active and reserve components into the same retirement system. Current service members should be grandfathered under the existing system but offered the option of converting to the new one; a five-year transition period should be provided for new entrants, during which time they could opt for either the new or the old plan.
28. Congress should set the age for receipt of a military retirement annuity at 62 for service members who serve for at least 10 years, 60 for members who serve for at least 20 years, and 57 for members who serve for at least 30 years. Those who wish to receive their annuity at an earlier age should be eligible to do so, but the annuity should be reduced 5 percent for each year the recipient is under the statutory minimum retirement age (consistent with the Federal Employees Retirement System). For reserve component members, retired pay would continue to be calculated on the number of creditable retirement years, based on earning at least 50 retirement points per creditable year.
  - a. Congress should expand current statutory authority to permit all service members to receive up to 5 percent of annual basic pay in matching government contributions to the Thrift Savings Plan; the government's contribution would vest at 10 years of service, and the Thrift Savings Plan benefit would be portable and thus capable of being rolled over into a civilian 401(k) account.
  - b. Congress should pass laws providing that the military retirement system allow some portion of its benefits to be vested at 10 years of service.

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248 Beth J. Asch and John Warner, *Separation and Retirement Incentives in the Federal Civil Service: A Comparison of the Federal Employees Retirement System and the Civil Service Retirement System* (Santa Monica, CA: Rand, 1999), pp. 1–3.

249 OPM, “FERS: Federal Employee Retirement System: An Overview of Your Benefits,” p. 13; *The Military Compensation System*, p. 34.

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- c. As part of the reformed retirement system, retention would be encouraged by making service members eligible to receive “gate pay” at pivotal years of service. Such pay would come in the form of a bonus equal to a percentage of annual basic pay at the end of the year of service, at the discretion of the services.
- d. As part of the reformed retirement system, service members who are vested would receive separation pay based on the number of years served and their pay grade when they complete their service.



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## IV. DEVELOPING A READY, CAPABLE, AND AVAILABLE OPERATIONAL RESERVE

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Congress tasked the Commission to “[a]ssess the effectiveness of the policies and programs of the National Guard and the other reserve components for achieving operational readiness and personnel readiness, including medical and personal readiness.”<sup>1</sup> This is a broad direction, not easy to satisfy publicly; because specific unit readiness ratings provide intelligence on the warfighting capability of the military, such information must remain closely held. However, the readiness of the reserve components can be discussed and analyzed in the aggregate, and the Commission has done so through public hearings that have examined the standards and obligations for readiness currently identified and established, the state of readiness of today’s reserve components, and the requirements to sustain future reserve component readiness.

An operational reserve component requires a higher standard of both readiness and availability than the minimum participation obligations of today’s Ready Reserve. This higher state of readiness must be sustained over a longer duration, with less time to achieve readiness goals between deployments. At the same time, the use of reserve component capabilities requires assured access to reserve units and individuals. Such access is obtained through the mobilization or activation process. The reserve forces can make an effective contribution to our national security only if they are readily accessible to accomplish assigned missions. Yet this access cannot be maintained without bringing predictability to deployments. Getting the balance right will require that a “train, mobilize, deploy” readiness cycle be implemented for all reserve components, that service integration be improved, and that reserve component capabilities be fully resourced.

Readiness is a key determinant of the ability of the reserve components to fulfill their roles and missions, and therefore is closely monitored. While it has many different aspects, the term *readiness* is specifically defined by the Department of Defense as “[t]he ability of US military forces to fight and meet the demands of the national military strategy.”<sup>2</sup> In addition to the readiness required to sustain the high operational tempo that the reserves are experiencing because of the ongoing wars in Afghanistan and Iraq, as well as other global commitments, the National Guard, Coast Guard Reserve, and, to an increasing extent, the other reserve components have taken on missions in the homeland (discussed in Chapter II) that rarely have been factored into calculations of service readiness levels. The reserve components have also traditionally maintained their readiness levels to provide a key strategic, or surge, capability to conduct missions that exceed the requirements of the operating force.

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... the non-deployed forces in all the services—both active and reserve—are experiencing reduced readiness after years of sustained operations in adverse environments.

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Congress also asked the Commission to “determine how the units and personnel of the reserve components may be best used to support the military operations of the Armed Forces and the achievement of national security objectives, including homeland defense, of the United States.”<sup>3</sup> The Commission found that although deployed forces are generally well manned, trained, and equipped, the non-deployed

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1 Public Law 108-375, *National Defense Authorization Act for Fiscal Year 2005*, October 28, 2004, §513.

2 Joint Chiefs of Staff, “Department of Defense Dictionary of Military and Associated Terms,” Joint Publication 1-02, as amended through October 17, 2007, s.v. “readiness.”

3 Public Law 108-375, §513.

forces in all the services—both active and reserve—are experiencing reduced readiness after years of sustained operations in adverse environments.<sup>4</sup> According to one analyst, “All ‘fully combat ready’ active and reserve combat units are now deployed or deploying to Iraq or Afghanistan. No fully-trained, national strategic reserve brigades are now prepared to deploy to new combat operations.”<sup>5</sup> J. David Patterson, Principal Deputy Under Secretary of Defense (Comptroller), testified to the Commission that “there is no doubt that the pace of operations—and the process of prioritizing the readiness of deploying units—has caused a decline in the readiness of non-deployed units.”<sup>6</sup> The ground forces have been the most severely affected.<sup>7</sup> Today’s operational requirements leave few capabilities in the reserve components as a hedge against additional strategic threats. As General George Casey, Chief of Staff of the Army, told a Senate committee, “[O]ur readiness is being consumed as fast as we can build it.”<sup>8</sup>

**Conclusion Four:** The reserve components have responded to the call for service. Despite shortages in equipment, training, and personnel they have once again proven their essential contribution to meeting national security requirements in a time of need. To sustain their service for the duration of the global war on terror will require maintaining the force at a new standard of readiness. Current policies cannot accomplish this task. A ready, capable, and accessible operational reserve will require an enduring commitment to invest in the readiness of the reserve components. This commitment will necessitate service integration, additional resources, and new constructs for employing the reserve components and for assessing readiness.

## Readiness Standards, by Service

In order to achieve their readiness requirements, the reserve components must have adequate and transparent funding. As discussed in Chapter I, the services are experiencing challenges in funding the readiness requirements of both their active and reserve components. The Commission believes that the readiness of the reserve components largely correlates with the readiness of their parent service; this is especially true for integrated services such as the Navy and Air Force, whose active

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- 4 General George W. Casey, Jr., Chief of Staff, United States Army, prepared statement before the Senate Armed Services Committee, Hearing on the Army’s Strategic Imperatives, 110th Cong., 1st sess., November 15, 2007, p. 4.
  - 5 General Barry R. McCaffrey (USA, ret.), Adjunct Professor of International Relations, U.S. Military Academy, prepared statement before the Senate Armed Services Committee, 110th Cong., 1st sess., April 17, 2007, p. 3.
  - 6 Deputy Under Secretary Patterson, prepared witness statement before the CNGR, Hearing on Resourcing and Readiness, Employer and Family Support, May 16, 2007 ([www.cngr.gov/May%2015-17/Patterson%20testimony.pdf](http://www.cngr.gov/May%2015-17/Patterson%20testimony.pdf)), p. 4.
  - 7 J. Michael Gilmore, CBO, Assistant Director for National Security, prepared witness statement before the CNGR, Hearing on Resourcing and Readiness, Employer and Family Support, May 16, 2007 ([www.cngr.gov/May%2015-17/Gilmore%20testimony.pdf](http://www.cngr.gov/May%2015-17/Gilmore%20testimony.pdf)), pp. 5–9; Lieutenant General H Steven Blum, Chief of the National Guard Bureau, testimony before the CNGR, Hearing on Proposed Changes to the National Guard, transcript of January 31, 2007, (first morning) hearing ([www.cngr.gov/hearing13107/0131cngr-1.pdf](http://www.cngr.gov/hearing13107/0131cngr-1.pdf)), p. 9; General Peter Schoomaker, Chief of Staff of the Army, prepared statement before the House Armed Services Committee, 109th Cong., 2nd sess., June 27, 2006, pp. 1–6; Lieutenant General Jack Stultz, Chief of the Army Reserve, testimony before the CNGR, Hearing on National Guard and Reserve Issues, transcript of July 19, 2006, hearing ([www.cngr.gov/July%2019/transcript0719.pdf](http://www.cngr.gov/July%2019/transcript0719.pdf)), p. 25, and response to subsequent Questions for the Record (QFR), answers submitted to the CNGR December 4, 2006, p. 2, stating that 8 percent of non-mobilized USAR units currently meet deployment standards; William M. Solis, GAO, Director, Defense Capabilities and Management, “Defense Logistics: Preliminary Observations on the Army’s Implementation of Its Equipment Reset Strategies,” GAO 07-439T (Testimony before the Subcommittees on Readiness and Air and Land Forces, Committee on Armed Services, House of Representatives), January 31, 2007, pp. 5–6.
  - 8 General Casey, prepared statement, p. 3.

and reserve components share equipment and training resources. In the Army, which has in the past maintained different readiness standards in its constituent parts, the active and reserve components are coming closer to the same standard.<sup>9</sup>

Readiness is established not just by the amount of resources provided to the Department of Defense but by how those resources are managed and executed. The Department of Defense exerts great effort in developing requirements and justifying budget requests for thousands of service programs. However, as examined more fully below, it does not program or budget to meet the funding needs of a ready, capable, and available operational reserve, particularly for individual medical readiness, full-time support, and homeland missions.

The Commission has observed that each military service has a different readiness standard to which its reserve components are resourced and which they are expected to maintain; this standard is based on the plans to use the reserve components and the extent of their integration into their active counterpart.<sup>10</sup> The lower the readiness standard, the more time and resources are needed to overcome deficiencies prior to deployment and thus the less time is available to perform the mission. Although each service has an advisor on reserve matters, the service Secretary and Chief of Staff are responsible for ensuring the readiness of both active and reserve components.<sup>11</sup>

### *Army*

The Army Force Generation (ARFORGEN) Model is designed to meet commanders' requirements for ready forces, bring predictability to the mobilization process, and align resource requirements with rotation schedules. In this model, units will build readiness progressively over a period of three to five years through the sequential application of individual and unit training resources and equipment. In the final year they will be fully manned, trained, and equipped, and they will deploy as a unit if so directed.<sup>12</sup> Lieutenant General James J. Lovelace, Jr., described the relationship between ARFORGEN and the Army's readiness standards: "[W]e have implemented the Army Force Generation (ARFORGEN) model to prioritize resources, synchronize the cyclic readiness of all Army forces, better manage the available force pool, and provide some measure of predictability to our all-volunteer force. Our goal is to generate a continuous output of fully manned, equipped, and trained forces adequate to sustain one operational deployment in three years for the active component, one in six years for the RC [reserve component]."<sup>13</sup> Lieutenant General Jack Stultz, Chief of the Army Reserve, explained, "In the Army Reserve we have adopted a one-in-five model, so we have deployed for one year, back here four years. Well, in that model, you spend one year in your [personnel and equipment] reset phase, you spend another year getting up tempo in the training phase as you progress in steady states of readiness to where you're ready to deploy."<sup>14</sup>

Assistant Secretary Ronald James testified, "We are closer to 1:1 in the AC [active component] and 1:3 in the RC, a long way from our ultimate goal of 1:2 for the AC and 1:5 for the RC. This

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9 Lieutenant General Lovelace, prepared statement, April 12, 2007, p. 3. The Army has seen an increase in the number of units reporting the lowest level of readiness (CNGR staff analysis of data from DOD, requested November 1, 2006, question #64 [on readiness]—data received October 5, 2007, pp. 2–3).

10 Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA), *National Guard and Reserve Equipment Report for Fiscal Year 2008*, February 2007, pp. 1-1 to 1-8.

11 10 U.S.C. §§3013, 3033, 5013, 5033, 8013, 8033; 14 U.S.C. §§44, 4.

12 Lieutenant General Russel L. Honoré, Commanding General, First U.S. Army, briefing to the Commission, October 2006, p. 20.

13 Lieutenant General Lovelace, Deputy Chief of Staff, G-3, U.S. Army, prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform, April 12, 2007 ([www.cngr.gov/hearing411-12/Lovelace%20CNGR%20testimony.pdf](http://www.cngr.gov/hearing411-12/Lovelace%20CNGR%20testimony.pdf)), p. 5.

14 Lieutenant General Stultz, testimony before the CNGR, transcript of July 19, 2006, hearing, pp. 22–23.

obviously stresses the entire force and brings into question how long we can sustain this pace.”<sup>15</sup> General Casey has stated that ARFORGEN will be implemented by 2011.<sup>16</sup> For the Army, readiness is tied to the deployment cycle. At the Commission’s May 2007 hearing, Assistant Secretary of the Army Nelson Ford testified that “distribution of resources—financial and materiel—will be timed to meet the mobilization and deployment pattern set by the Army Force Generation model.”<sup>17</sup> Nevertheless, General Casey summarized the Army’s approach to sustaining readiness as being “out of balance. We’re consumed by the demands of the current operations and as a result, we’re not able to do the things to prepare for the future and to sustain the all volunteer force.”<sup>18</sup>

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“We’re consumed by the demands of the current operations and . . . not able to prepare for the future and to sustain the all volunteer force.”

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## Navy

Navy readiness requirements are derived from the total force “enterprise” construct called Active–Reserve Integration (ARI). Under ARI, there are no reserve-specific requirements, only Navy requirements that, in selected areas, can be met predictably and periodically with reserve personnel. Navy reservists volunteer to fill sea or shore billets identified by the Navy.<sup>19</sup> The Navy Reserve force provides a fully integrated enhanced surge capacity to meet mission requirements with individual augmentees and units assigned to an active component gaining command. While some Navy Reserve units have specialized capabilities such as engineering and logistical support, much of the Navy Reserve has moved from a unit-based to a capability-based force structure that provides trained individuals directly to the supported commands.<sup>20</sup>

The Navy as a whole has moved away from “rigid deployment cycles,” and instead generates forces using its requirement-based Fleet Response Plan (FRP). Navy reservists deploy with Navy expeditionary and carrier strike groups, which consist of ships, submarines, and aviation squadrons. They also serve as individual augmentees for numerous assignments within joint-service operations.<sup>21</sup> At present, about 24,000 Navy reservists are on duty, in both operational and steady-state missions.<sup>22</sup> The Navy mobilizes reservists for an average of nine months to allow for just-in-time training and for leave to be taken after redeployment. The Navy tries to find volunteers to fill these requirements, even if doing so results in cross-leveling reserve units.<sup>23</sup> The Navy reservists are expected to be “ready to answer the call to serve. They must be medically, physically, and administratively ready

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15 The Honorable Ronald J. James, Assistant Secretary of the Army (Manpower and Reserve Affairs), prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform, April 12, 2007 ([www.cngr.gov/hearing411-12/James%20CNGR%20testimony.pdf](http://www.cngr.gov/hearing411-12/James%20CNGR%20testimony.pdf)), p. 4.

16 General Casey, prepared statement, p. 4.

17 The Honorable Nelson M. Ford, Assistant Secretary of the Army (Financial Management and Comptroller), prepared witness statement before the CNGR, Hearing on Resourcing and Readiness, Employer and Family Support, May 16, 2007 ([www.cngr.gov/May%2015-17/Ford%20statement.pdf](http://www.cngr.gov/May%2015-17/Ford%20statement.pdf)), p. 4.

18 General George W. Casey, Jr., Chief, U.S. Army, “Maintaining Quality in the Force: A Briefing,” Brookings Institution, Washington, DC, December 4, 2007 ([www.brookings.edu/multimedia/video/2007/1204\\_casey.aspx](http://www.brookings.edu/multimedia/video/2007/1204_casey.aspx)).

19 William A. Navas, Jr., Assistant Secretary of the Navy (Manpower and Reserve Affairs), prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform, April 12, 2007 ([www.cngr.gov/hearing411-12/Navas%20CNGR%20testimony.pdf](http://www.cngr.gov/hearing411-12/Navas%20CNGR%20testimony.pdf)), pp. 4, 10.

20 Department of the Navy, *FY 2008/FY 2009 President’s Budget*, February 2007, p. 5-3.

21 Assistant Secretary Navas, prepared statement, April 12, 2007, p. 11.

22 Rear Admiral Stanley D. Bozin, prepared witness statement before the CNGR, Hearing on Resourcing the Reserve Components, May 16, 2007 ([www.cngr.gov/May%2015-17/Bozin%20testimony.pdf](http://www.cngr.gov/May%2015-17/Bozin%20testimony.pdf)), p. 7.

23 Vice Admiral John G. Cotton, Chief of Navy Reserve, letter to Arnold L. Punaro, Chairman, CNGR, July 19, 2006, question 24.



to deploy.”<sup>24</sup> According to Admiral Robert F. Willard, Vice Chief of Naval Operations, “Navy’s current readiness remains excellent.”<sup>25</sup>

### *Marine Corps*

The Marine Corps Reserve formations mirror those of the active component in their operational force structure and readiness standards. It maintains readiness at the same level as the active component, even though it plans to deploy its members less frequently.<sup>26</sup> The Marine Corps is not reliant on the Marine Corps Reserve for combat support units. The Marine Corps Reserve’s Commander, Lieutenant General Jack Bergman, described in testimony before Congress the Marine Corps’ planning model, which is based on one-year activations with seven months spent deployed and five months used for theater-specific training and demobilization programs. The year of duty is followed by four years in a normal drill status. Lieutenant General Bergman predicted that this approach, termed the Integrated Total Force Generation Model, would provide 6,000 Reserve Marines on active duty at any one time.<sup>27</sup>

To date the Marine Corps has not been able to implement this plan because of operational demands for forces in Afghanistan and Iraq, as well as other global commitments. For example, it activated a reserve infantry battalion on September 10, 2007, with only about two years and four months of dwell time at home since the members’ previous deactivation in May 2005. The Marine Corps predicts it will take several years before it can meet the goals of its planning model.<sup>28</sup>

**Finding:** The Army and Marine Corps force generation models are not achievable with current resources and with current demands on ground forces imposed by the wars in Afghanistan and Iraq and by other global commitments.

### *Coast Guard*

The Coast Guard Reserve was fully integrated into the Coast Guard in 1995. Since then, individual reservists have augmented the active component on a daily basis, have met the same readiness requirements, and have been under the active component’s operational control.<sup>29</sup> As a result, the active and



Commissioners McKinnon, Sherrard, and Stockton at December 2006 hearing.

24 Vice Admiral John C. Cotton, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Programs, July 19, 2006 ([www.cngr.gov/July%2019/Cotton%20Testimony.doc](http://www.cngr.gov/July%2019/Cotton%20Testimony.doc)), p. 17.

25 Admiral Willard, prepared statement before the House Armed Services Committee Subcommittee on Military Readiness, 110th Cong., 1st sess., March 13, 2007, p. 4.

26 Major General Richard Huck, Assistant Deputy Commandant for Plans, Policies and Operations of the Marine Corp, prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform, April 12, 2007 ([www.cngr.gov/hearing411-12/Huck%20CNGR%20testimony.pdf](http://www.cngr.gov/hearing411-12/Huck%20CNGR%20testimony.pdf)), pp. 2–6.

27 Lieutenant General Jack W. Bergman, Commander, USMCR, prepared statement before the House Appropriations Committee Defense Subcommittee, 110th Cong., 1st sess., January 18, 2007, pp. 6–7.

28 Memorandum for the Record (MFR), CNGR staff phone conversation with Headquarters Marine Corps, Deputy Commandant for Plans, Policy and Operations staff, December 12, 2007.

29 Master Chief Petty Officer Jeffrey Smith, U.S. Coast Guard, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, June 16, 2006 ([www.cngr.gov/hearing615/Jeffrey%20Smith%20Written%20Statement.doc](http://www.cngr.gov/hearing615/Jeffrey%20Smith%20Written%20Statement.doc)), p. 2.

reserve components do not have separate force generation models. Coast Guard reservists train with their active component counterparts, performing the same missions that they would when mobilized.<sup>30</sup> At any time, Coast Guard reservists can volunteer to participate in ongoing operations.<sup>31</sup>

In 2006, Master Chief Petty Officer Jeffrey Smith testified to the increased use of the Coast Guard Reserves: “Since 9/11 cumulative recalls of Coast Guard Reservists under Title 10 of the U.S. Code have totaled over 6,800—over 84 percent of our 8,100-member Selected Reserve force. Many of those individuals have answered the call multiple times, and have exhausted the 24-month limit on involuntary recall under 10 USC 12302.”<sup>32</sup>

### *Air Force*

The Air Force organizes, trains, and equips its active and reserve components to the same standard,<sup>33</sup> which enables it to deploy airmen anywhere within 72 hours.<sup>34</sup> The Air Force uses the air and space expeditionary force (AEF) construct to deploy assets, including the Air Force Reserve and Air National Guard, in rotational cycles.<sup>35</sup> John Truesdell, the Deputy Assistant Secretary of the Air Force for Reserve Affairs, told the Commission, “The debate as to whether we are an Operational Reserve is over. Approximately 25 percent of each AEF rotation is AFR [Air Force Reserve] and ANG [Air National Guard].”<sup>36</sup> The reserve components are fully integrated into the 10 AEF combat force elements to fill combatant commander requirements. The AEF construct gives guidance as to when they are likely to be needed.<sup>37</sup> However, the Air Force does not use the AEF construct as a readiness plan, as Lieutenant General John A. Bradley testified: “[W]e are adequately funded to maintain our readiness levels at C-1. And that doesn’t mean we are always at C-1. There are personnel and training issues that work into that, but that is the way we are funded so that we can be responsive in part of the operational Air Force.”<sup>38</sup> Most Air Force reservists volunteer for active duty and serve a tour of approximately 120 days. However, the length of service is increasing because of the requirements of combatant commanders.<sup>39</sup>

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30 Rear Admiral Kenneth T. Venuto, prepared witness statement before the CNGR, Hearing on Homeland Defense/Homeland Security, May 3, 2006 ([www.cngr.gov/hearing503-4/Venuto.pdf](http://www.cngr.gov/hearing503-4/Venuto.pdf)), pp. 2–3.

31 U.S. Department of Homeland Security, United States Coast Guard, *Reserve Policy Manual*, COMDTINST M1001.28A, as revised July 6, 2007, chapter 3 ([www.uscg.mil/directives/cim/1000-1999/CIM\\_1001\\_28A.pdf](http://www.uscg.mil/directives/cim/1000-1999/CIM_1001_28A.pdf)).

32 Master Chief Petty Officer Smith, prepared statement, June 15, 2006, p. 3.

33 Major General Frank R. Faykes, USAF, Deputy Assistant Secretary (Budget), prepared witness statement before the CNGR, Hearing on Resourcing and Readiness, Employer and Family Support, May 16, 2007 ([www.cngr.gov/May%2015-17/Faykes%20testimony.pdf](http://www.cngr.gov/May%2015-17/Faykes%20testimony.pdf)), p. 4.

34 GAO, “Reserve Forces: Actions Needed to Better Prepare the National Guard for Future Overseas and Domestic Missions,” GAO-05-21 (Report to the Chairman, Committee on Government Reform, and Chairman, Subcommittee on National Security, Emerging Threats and International Relations, House of Representatives), November 2004, pp. 18–19; Chief Master Sergeant Jackson A. Winsett, Command Chief, Air Force Reserve Command, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, June 15, 2006 ([www.cngr.gov/hearing615/Winsett.pdf](http://www.cngr.gov/hearing615/Winsett.pdf)), p. 10.

35 Lieutenant General Bradley, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, July 19, 2006 ([www.cngr.gov/July%2019/Bradley%20Testimony.doc](http://www.cngr.gov/July%2019/Bradley%20Testimony.doc)), p. 14.

36 Deputy Assistant Secretary Truesdell, prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform, April 12, 2007 ([www.cngr.gov/hearing411-12/Truesdell%20CNCR%20testimony.pdf](http://www.cngr.gov/hearing411-12/Truesdell%20CNCR%20testimony.pdf)), p. 12.

37 Lieutenant General Craig R. McKinley, Director, Air National Guard, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, July 19, 2006, ([www.cngr.gov/July%2019/McKinley%20Testimony.doc](http://www.cngr.gov/July%2019/McKinley%20Testimony.doc)), p. 5.

38 Lieutenant General Bradley, Chief, Air Force Reserve and Lieutenant General Craig R. McKinley, Director, Air National Guard, testimony before the CNGR, Hearing on National Guard and Reserve Issues, transcript of July 19, 2006, hearing, p. 27.

39 Lieutenant General Bradley, prepared statement, July 19, 2006, p. 23.

**Recommendations:**

29. The services should budget for, and Congress annually should authorize, the amount of funding necessary to support the operational portion of the reserve components, ensuring that their budget requests are sufficient to meet their readiness requirements for overseas and homeland missions, including for individual medical readiness and full-time support.
30. The Secretary of Defense should mandate that future programming decisions and budget requests be linked to the delivery of desired outcomes, conveyed in budget justification material in a manner that clearly delineates funding for reserve programs.
31. Senior leaders at service headquarters and large commands must be held accountable for the readiness and performance of Reserve and National Guard units within their purview. These responsibilities must be reflected in job descriptions and performance appraisals.

## Readiness Reporting

The Chairman of the Joint Chiefs of Staff (CJCS) has the statutory responsibility of “[a]dvis[ing] the Secretary on critical deficiencies and strengths in force capabilities . . . identified during the preparation and review of contingency plans[.]”<sup>40</sup> To fulfill this requirement, the CJCS has established a uniform system for reporting known as the Chairman’s Readiness System.<sup>41</sup> All services assess and report on unit readiness to the Chairman, relying on their own regulations that establish the quantitative and qualitative rules used by all military units to determine their overall readiness rating.<sup>42</sup>

The uniform readiness reporting standards for units are as follows:

- C-1. The unit possesses the required resources and is trained to undertake the full wartime mission(s) for which it is organized or designed. The resource and training area status will neither limit flexibility in methods for mission accomplishment nor increase vulnerability of unit personnel and equipment. The unit does not require any compensation for deficiencies.
- C-2. The unit possesses the required resources and is trained to undertake most of the wartime mission(s) for which it is organized or designed. The resource and training area status may cause isolated decreases in flexibility in methods for mission accomplishment, but will not increase vulnerability of the unit under most envisioned operational scenarios. The unit would require little, if any, compensation for deficiencies.
- C-3. The unit possesses the required resources and is trained to undertake many, but not all, portions of the wartime mission(s) for which it is organized or designed. The resource or training area status will result in significant decreases in flexibility for mission accomplishment and will increase vulnerability of the unit under many, but not all, envisioned operational scenarios. The unit would require significant compensation for deficiencies.

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40 10 U.S.C. §153(a)(3).

41 Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 3401.01D, “Chairman’s Readiness System,” December 10, 2004.

42 See Army Regulation 220-1, “Unit Status Reporting,” December 19, 2006; AFI [Air Force Instruction] 10-201, “Status of Resources & Training System,” May 4, 2000; MCO [Marine Corps Order] P3000.11D, “Marine Corps Automated Readiness Evaluation System (MARES),” February 15, 2004; NWP [Naval Warfare Publication] 10-1-11, “Ship’ Operational Readiness Training Status (SORTS),” July 1993.

- C-4. The unit requires additional resources or training to undertake its wartime mission(s), but it may be directed to undertake portions of its wartime mission(s) with resources on hand.
- C-5. The unit is undergoing a Service-directed resource action and is not prepared, at this time, to undertake the wartime mission(s) for which it is organized or designed.<sup>43</sup>

The overall “C” or capability rating is composed of four subcategories of data—Personnel (P), Training (T), Equipment and Supplies on Hand (S), and Equipment Condition (R).<sup>44</sup> The lowest of these determines a unit’s overall rating. This rating system enables commanders, within certain guidelines, to subjectively upgrade an assessment to account for individual circumstances, such as equipment in war reserves or pre-positioned in theater, or personnel who will complete training before the next report. The process used to determine and report a unit’s C-rating is based solely on the unit’s design and wartime mission. It does not consider or measure a unit’s capability to perform other missions, whether foreign (e.g., stability and support or counterinsurgency assignments) or domestic (homeland defense or civil support).<sup>45</sup>

The Commission is concerned that the existing readiness reporting system does not capture in adequate detail the readiness and capabilities of reserve component units, whose characteristics differ in some respects from those of active component units: they may have additional missions, train and operate without assigned equipment, and have a different personnel support structure. The Government Accountability Office (GAO) recommended in 2004 that the Secretary of Defense “[e]stablish readiness standards and measures for the National Guard’s homeland security missions so that the readiness for these missions can be systematically measured and accurately reported.”<sup>46</sup> As discussed in Chapter II, all reserve components have significant homeland security capabilities. Yet this responsibility has traditionally been considered a “lesser included” mission and a much lower priority than their warfighting missions.<sup>47</sup> The system also fails to take into account the level of full-time support (FTS). The FTS force is the caretaker element necessary to keep all people and equipment in mission-ready status for training and potential operational missions.<sup>48</sup>

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... the existing readiness reporting system does not capture in adequate detail the readiness and capabilities of reserve component units.

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**Finding:** Readiness standards do not incorporate information on full-time manning levels or on the readiness of Guard and Reserve forces to perform homeland missions.

43 Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 3401.02, “Global Status of Resources and Training System,” October 20, 1997, Enclosure C, pp. C-1 to C-2.

44 CJCSI 3401.02, “Global Status of Resources and Training System,” Enclosure C, pp. C-3 to C-6.

45 CJCSI 3401.02, “Global Status of Resources and Training System,” Enclosure C, p. C-1; Mark E. Gebicke, GAO, Director, Military Operations and Capabilities Issues, National Security and International Affairs Division, “Military Readiness: Improvements Still Needed in Assessing Military Readiness,” GAO/T-NSAID-97-107 (Testimony before the Subcommittee on Military Readiness, Committee on National Security, House of Representatives), March 11, 1997, pp. 1–2.

46 GAO, “Reserve Forces: Actions Needed to Better Prepare the National Guard for Future Overseas and Domestic Missions,” p. 31.

47 MFR, meeting of the Commission with the Assistant Secretary of Defense for Homeland Defense and the Office of the Assistant Secretary of Defense for Reserve Affairs regarding pending legislation, October 25, 2006; General Peter Schoomaker, Chief of Staff, U.S. Army, testimony before the CNGR, Hearing on Proposed Changes to the National Guard, transcript of December 14, 2006, (morning) hearing ([www.cngr.gov/hearing121314/1214cngr-panel2.pdf](http://www.cngr.gov/hearing121314/1214cngr-panel2.pdf)), p. 24.

48 Department of Defense Instruction 1205.18, “Full-Time Support (FTS) to the Reserve Components,” May 4, 2007, p. 3.



The Office of the Secretary of Defense has developed the Defense Readiness Reporting System (DRRS) to provide commonality and accessibility in readiness reporting.<sup>49</sup> The system is built on and is intended to replace the existing Status of Resources and Training System (SORTS), which uses outdated technology and does a poor job of measuring unit and individual capabilities.<sup>50</sup>

DRRS, when fully implemented, is expected to provide the ability to associate readiness with mission requirements.<sup>51</sup> When fully operational, DRRS could play a crucial role in both domestic and overseas planning and operations. The goal is to have active and reserve capabilities (personnel, equipment, and training) captured from authoritative databases in DRRS and accessible to commanders at every level. These data would be more detailed than SORTS data, and would enable commanders to “see” what issues affect readiness at each unit level. In May 2007, the Commission learned that the database contained, at most, 20 percent of the expected data, despite a September 2007 deadline to finish populating the database.<sup>52</sup>

**Recommendations:**

32. Readiness reporting systems should be expanded to encompass full-time support and individual medical readiness. The readiness reporting system should also identify individual and unit readiness to perform the full spectrum of missions, including support to civil authorities.
33. The Secretary of Defense should mandate that a common readiness reporting system include reporting on all data needed to determine readiness of units and allow full access to underlying data on personnel, equipment, and training. The system should be managed by the Joint Chiefs of Staff to assist the Chairman in the Chairman’s statutory requirement to report on readiness and should include both active and reserve component data, thereby precluding any need to transfer data on reservists.

## A. PERSONNEL

Personnel readiness is a measure of the number of personnel in each unit, the individual qualifications of the service members, and the distribution of leaders. Personnel readiness has been high overall in reserve components for the past several years. However, the reserve components have had to address three major personnel readiness challenges: ensuring that service members are skill-qualified for their military specialty, deploying cohesive units, and satisfying combatant commanders’ requirements for personnel with “high-demand/low-density” capabilities.

During this time, when the nation has called on the men and women of the armed forces to serve repeatedly in our national defense, both the active and reserve components have achieved their personnel retention goals of keeping service members in the military.<sup>53</sup> The Army and Marine Corps

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49 Department of Defense Directive 7730.65, “Department of Defense Readiness Reporting System (DRRS),” June 3, 2002, p. 1.

50 MFR, DRRS briefing of the Commission by Dr. Laura J. Junor, Analytical Advisor and DRRS Interagency Director with OSD, May 30, 2007.

51 Dr. Laura J. Junor, Analytical Advisor and DRRS Interagency Director with OSD, PowerPoint presentation, “Department of Defense Readiness Reporting System (DDRS),” May 30, 2007.

52 MFR, DRRS briefing by Dr. Junor, May 30, 2007.

53 The Honorable David S. C. Chu, Under Secretary of Defense for Personnel and Readiness, prepared statement before the House Armed Services Subcommittee on Military Personnel, Hearing on Recruiting and Retention, 110th Cong., 1st sess., February 15, 2007, p. 13.



are also working to increase their end strength.<sup>54</sup> The active components have traditionally provided a recruitment pool for the reserve components to obtain skilled prior-service personnel and leaders. Because of those high retention rates in the active components, reserve recruiting programs have worked to attract more individuals who have not previously served in the military to meet their recruitment goals. For example, General Bradley testified that one of the Air Force Reserve funding priorities is “[n]on-prior service (NPS) personnel training funding,” pointing to “NPS accessions increasing due to [the] decreased number of prior service accessions.”<sup>55</sup> At the same time, some reserve components are establishing new units and capabilities, which require additional skilled personnel. This greater reliance on non-prior service recruits and these new personnel requirements have led to a need to increase the reserve components’ funding and capacity for training.<sup>56</sup>

In our second report to Congress, the Commission identified the “cross-leveling” of personnel between units in order to form units ready to deploy as seriously harming personnel readiness.<sup>57</sup> This practice, the result of a mismatch between the reserve components’ end strength and organizational structure that has forced the Army and Marine Corps to cobble together reserve fighting units by using individual volunteers borrowed from other units around the country, has deleterious effects on unit cohesion, training, and personnel readiness and on the ability of the reserve components to provide support to the families of mobilized reservists. One battalion commander testified before the Commission that “cross leveling is evil.”<sup>58</sup>

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DOD has briefed the Commission that it is developing policies to ensure that units are manned to levels greater than 90 percent and that 85 percent of personnel in units are skill-qualified for their position at all times.<sup>59</sup> Major General Michael H. Sumrall testified, “If C1 is 90 percent, you can probably get there fairly close to it, but it’s going to be a—it’s going to be a real challenge. And we need a backup system to take care of some of the manpower shortages.”<sup>60</sup> However, even if these personnel readiness rates were consistently achieved, cross-leveling of personnel would still occur. Deploying units need at least 100 percent of their personnel. Those additional personnel are sourced from other units, reducing the personnel readiness of the non-deployed units.<sup>61</sup>

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54 Dr. David S. C. Chu, Under Secretary of Defense for Personnel and Readiness, DOD News Briefing, October 10, 2007, transcript ([www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4054](http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4054)).

55 Lieutenant General Bradley, prepared statement, July 19, 2006, p. 20.

56 Under Secretary Chu, prepared statement, p. 8; Office of the Secretary of the Army, *Posture Statement of the United States Army* (2000), Addendum E: Data required by the NDAA for FY 1994, p. 108; *Posture Statement of the United States Army* (2007), Addendum E: Data required by the NDAA for FY 1994, p. E-1; Lieutenant General H. P. Osman, USMC, Deputy Commandant for Manpower and Reserve Affairs, prepared statement before the Personnel Subcommittee of the Senate Armed Services Committee, Hearing concerning Military Personnel, 109th Cong., 2nd sess., March 1, 2006, p. 7.

57 *Strengthening America’s Defenses in the New Security Environment*, Second Report to Congress, March 1, 2007 ([Arlington, VA: Commission on the National Guard and Reserves], 2007), p. 19.

58 Lieutenant Colonel Mark Smith, USMCR, testimony before the CNGR, Hearing on Readiness: Battalion Commanders, Recently Returned from Iraq and Afghanistan, transcript of September 21, 2006, hearing ([www.cngr.gov/hearing918-21/transcript4.pdf](http://www.cngr.gov/hearing918-21/transcript4.pdf)), p. 42.

59 Major General James A. Kelley, Deputy Assistant Secretary of Defense for Reserve Affairs (Readiness Training & Mobilization), briefing, “Readiness, Training & Mobilization Strategic Initiatives,” October 16, 2007, p. 4.

60 Major General Sumrall, Army National Guard, Assistant to the Chairman of the Joint Chiefs of Staff for National Guard Matters, testimony before the CNGR, Hearing on Reserve Component Policy Reform, transcript of April 12, 2007, (second morning) hearing ([www.cngr.gov/hearing411-12/0416cngr2.pdf](http://www.cngr.gov/hearing411-12/0416cngr2.pdf)), p. 13.

61 Gilmore, prepared statement, May 16, 2007, p. 4.

Personnel readiness has been most degraded in reserve component units that have capabilities frequently requested by combatant commanders. General James Jones, U.S. Supreme Allied Commander Europe, told the Commission that “the unique expertise the Guard and Reserve units bring to Civil Affairs, Information Ops, and PsyOps, and many other aspects of our high-demand, low-density type capabilities that are in such precious supply, are absolutely critical to our future—the execution of our future strategy.” He warned, “[T]he high-demand, low-density skill sets are really the things that I would watch very carefully to make sure that we have adequate supply.”<sup>62</sup> General Lance Smith, Commander, U.S. Joint Forces Command, gave the historical context of this readiness imbalance:

After Vietnam, we went out and we put certain skill sets into the reserves to ensure that if we went to war again that the reserves were going to be part of that. And I don’t think that anticipated the kind of war that we’re conducting right now, where almost all of your—a great portion of your civil affairs folks are in the reserve component, a lot of your military intelligence, a lot of your engineering capability—those things that end up being critical to us in the kind of war that we’re fighting.

So the skills that we need that we are particularly dealing with right now are military police, combat brigades—and military police, there are sort of two kinds. I mean, one are the internment folks that are really specifically trained to be able to manage places like Camp Bucca, Abu Ghirab when we had that, and Camp Suzie. And those are—I think we’ve got three active battalions and six reserve battalions. And you can see if the active component is on a one-to-one dwell and the reserve component is on a one-to-five dwell, we can’t meet the requirements over there, so we end up doing things that we don’t like to do in lieu of training to put people in those special skill sets.<sup>63</sup>

The Commission’s major recommendations on attracting, managing, and supporting personnel appear in Chapters III and V.

## Army Personnel

The Army is undergoing a substantive change in the use of reserve component personnel and their readiness requirements. Lieutenant General Lovelace provided the historical context of this transformation:

The Army of 1970 was twice as large as the force we have today with over two million men and women in uniform; 1.36 million in the active component and 667,000 in the reserve components. Over the next decade and a half, the Army reduced its total end strength by over a half-million Soldiers, without fundamentally readdressing the assumptions that we used to resource the force. Although we continued to resource the first-deployers at high levels, the shrinking defense budgets, declining force structure, and increasing U.S. force role in peacekeeping missions, resulted in even greater reliance on the reserve component for meeting day-to-day missions. During this period, the serious under-investment in the sustainment and modernization of the total force put the Army in a position of un-readiness when 9/11 occurred.

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62 General Jones, U.S. Marine Corps, Supreme Allied Commander Europe, testimony before CNGR, Hearing with Combatant Commanders, transcript of October 5, 2006, hearing ([www.cngr.gov/hearing1005/Jones%20transcript.pdf](http://www.cngr.gov/hearing1005/Jones%20transcript.pdf)), pp. 9, 22–23.

63 General Smith, Commander, U.S. Joint Forces Command, testimony before the CNGR, Hearing with Combatant Commanders, transcript of October 5, 2006, hearing ([www.cngr.gov/hearing1005/Smith%20transcript2.pdf](http://www.cngr.gov/hearing1005/Smith%20transcript2.pdf)), p. 12.

Today, the active Army, at just over 500,000 Soldiers, is less than 40 percent of its size 35 years ago. The confluence of the substantially decreased size of the active component combined with the increased global demands of this long war, require the reserve components to fill a much larger and more active part of the operational force pool.<sup>64</sup>

Janet St. Laurent, Director of the GAO Defense Capabilities and Management Team, informed the Commission of the associated challenges that have arisen with the increased demand for soldiers, pointing out that “a number of factors have negatively affected Army Reserve components’ personnel readiness, and these include cross-leveling of large numbers of personnel, increasing difficulty in identifying reservists trained in the skills required by combatant commanders, and fewer full-time support staff than authorized.”<sup>65</sup>

When levels of personnel readiness in units scheduled to deploy are inadequate, force providers must cross-level personnel from other units to obtain the required personnel and skill sets. General Stultz testified, “The forces that we deploy forward in the theater, our combat support-service support, are at C-2 or above. And that’s where I’m saying they’re combat ready, they’re meeting the standards required by the theater. In most cases, they are C-1. The forces we have back here, for the most part—most of our forces are C-4. And in most cases it’s a combination between personnel issues where they’re short on personnel because we’re constantly cross-leveling personnel out of units into other units to get them to the C-2, C-1 level to deploy, and in some cases it’s equipment. But primarily it is personnel that’s keeping our readiness levels low.” General Stultz told the Commission that “[t]his practice has taxed our non-mobilized units, only 8% of which currently meet deployment standards.”<sup>66</sup>

**Finding:** In 2006, only 8 percent of percent of non-mobilized Army Reserve units met deployment standards.

Major Thomas Friloux of the Louisiana Army National Guard’s 256th Enhanced Separate Brigade (now the 256th Infantry Brigade Combat Team) testified before the Commission, “We did have to do some cross-leveling from [Headquarters Company] into the line units to get them to a higher level of personnel readiness based on what our personnel readiness level was at the time.”<sup>67</sup> Major Christopher F. Foxx, the operations officer for an Army Reserve medium transportation battalion in Charlotte, North Carolina, that deployed to Iraq in 2004, similarly explained that “[p]ersonnel readiness and time allocation” were the largest obstacle to the unit’s being fully trained prior to mobilization. In his view, “putting more emphasis upfront on personnel readiness” is crucial.<sup>68</sup>

In testimony before the Commission, the Congressional Budget Office identified the “overstructure” of the Army National Guard as a contributing factor to cross-leveling of its personnel. CBO estimated that overstructure—the difference between the personnel needed to fill the Army National Guard’s total structure and the actual number assigned to combat units—at about six brigades. In addition,

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64 Lieutenant General Lovelace, prepared statement, April 12, 2007, p. 3.

65 Janet St. Laurent, testimony before the CNGR, Hearing on Proposed Changes to the National Guard, transcript of September 21, 2006, hearing ([www.cngr.gov/hearing918-21/transcript4.pdf](http://www.cngr.gov/hearing918-21/transcript4.pdf)), p. 16.

66 Lieutenant General Stultz, testimony before the CNGR, transcript of July 19, 2006, hearing, p. 2; response to QFR following the hearing, submitted to the CNGR December 4, 2006, p. 2, stating that 8 percent of non-mobilized USAR units currently meet deployment standards.

67 Major Friloux, Louisiana Army National Guard, testimony before the CNGR, Hearing on National Guard and Reserve Issues, September 20, 2006, (second morning) hearing ([www.cngr.gov/hearing918-21/transcript2.pdf](http://www.cngr.gov/hearing918-21/transcript2.pdf)), p. 21.

68 Major Foxx, USAR, testimony before the CNGR, Commission on the National Guard and Reserves, Hearing on National Guard and Reserve issues, transcript of September 20, 2006, (second morning) hearing, pp. 9, 26.

because of training and other individual requirements, units have “commonly [had] ‘missing’ personnel who were booked against the unit but not present, leading to personnel shortages.”<sup>69</sup>

In 2003, the Army Reserve established a Trainee, Transient, Holdee, and Student (TTHS) account, to better account for these individuals. Lieutenant General James R. Helmly testified:

The Army Reserve will reduce over-structure and provide for a TTHS/Individuals Account within the current Selected Reserve end strength. Members of the Selected Reserve who are not qualified for duty in a unit, or who are enrolled in professional development education courses, or might in a few cases be non-ready due to temporary medical holds, transients, or similar statuses will be assigned to the Individuals Account. This will increase the readiness of the Army Reserve, and the TTHS account will give a true picture of military readiness and manpower by using the same methods as the active Army.<sup>70</sup>

In 2006, the Army National Guard reported it had begun “incrementally implementing” a TTHS account.<sup>71</sup> Command Sergeant Major John P. Gipe testified that “by establishing a Trainees, Transients, Hospitalized and Students account (TTHS) of about 8000 Soldiers . . . our readiness figures will be more reliable.”<sup>72</sup> Given the growth and rebalancing of the Army National Guard,<sup>73</sup> the Commission thinks that this figure may be too low, and believes that this system does not effectively allocate positions in this account among the 54 states and territories.

**Finding:** Increased personnel readiness is necessary to sustain the repeated mobilization of units without having to resort to the cross-leveling of personnel.

The Army National Guard and Army Reserve are experiencing shortfalls in some specific personnel.<sup>74</sup> For example, Lieutenant General Michael D. Rochelle testified that “[l]ast year we began selecting Army Reserve first lieutenants for promotion to captain a year sooner. . . . This change has helped reduce our captain shortages in the Army Reserve by promoting an additional cohort of officers sooner and the change is expected to improve retention through the incentive of an earlier promotion.”<sup>75</sup> Major General Michael A. Vane testified that because the way forces are utilized in Iraq has increased the demand for majors, “we may have to have a bulge in the pyramid, where instead of having three majors in a battalion, maybe we need four or maybe even five, to give these people a place to live and work during peace time so that we have the traditional battalion during

69 Gilmore, prepared statement, May 16, 2007, p. 3.

70 Lieutenant General Helmly, Chief, U.S. Army Reserve, Department of the Army, prepared testimony before the Senate Armed Services Committee Subcommittee on Personnel, Hearing on Army Reserve Overview, 108th Cong., 1st sess., March 19, 2003, p. 10.

71 Army National Guard G-5, Strategic Plans & Communications, “Army National Guard: Transforming While Conducting the Global War on Terror,” April 3, 2006, p. 4.

72 Command Sergeant Major Gipe, Command Sergeant Major of the Army National Guard, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, June 15, 2006 ([www.cngr.gov/hearing615/GIPE%20-%20OMB%20CLEARED.doc](http://www.cngr.gov/hearing615/GIPE%20-%20OMB%20CLEARED.doc)), p. 4.

73 Army National Guard Directorate Force Management Division, “Army National Guard Rebalance Initiative Briefing,” October 2007, pp. 11–12.

74 Office of the Secretary of the Army, *Posture Statement of the United States Army* (2006), Addendum A: Data required by NDAA 1994, p. 6; GAO, “Military Personnel: Strategic Plan Needed to Address Army’s Emerging Officer Accession and Retention Challenges,” GAO-07-224 (Report to the Committee on Armed Services, House of Representatives), January 2007, p. 28.

75 Lieutenant General Rochelle, Deputy Chief of Staff, G-1 United States Army, prepared witness statement before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, June 21, 2007 ([www.cngr.gov/June%2019-21/Rochelle%20Statement.pdf](http://www.cngr.gov/June%2019-21/Rochelle%20Statement.pdf)), p. 7.

wartime and the augmentation piece as well so we can grow these people through the system over the—over years.”<sup>76</sup>

The Army lacks personnel with the requisite military skills for the position in which they are serving. Lieutenant General Lovelace testified that “our reorganization and rebalancing efforts have created a number of reserve component units where a large percentage of Soldiers are not MOS [military occupational specialty] qualified.”<sup>77</sup> The Secretary of the Army, Francis J. Harvey, told Commissioners: “[O]ur rebalancing efforts have created a number of reserve units whose Soldiers are no longer considered qualified for their military occupational specialties (MOS). For example, Soldiers who once were qualified field artillerymen are now military policemen. To meet this need, we have significantly increased the number of seats in MOS-qualifying schools that are allocated to the reserve components. In FY04, the Reserve Components were allocated 64,139 seats; in FY07 we increased this allocation to 82,390 seats for the Reserve Components. This is a 28% increase in only three years.”<sup>78</sup>

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“ . . . our reorganization and rebalancing efforts have created a number of reserve component units where a large percentage of Soldiers are not MOS qualified.”

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The Army National Guard reported that some soldiers are waiting long periods before they can accomplish individual training requirements.<sup>79</sup> In a briefing to the Commission by the Georgia National Guard, Major General David B. Poythress explained that a factor contributing to the shortage of qualified personnel is an insufficient number of school seats for the Army; moreover, those seats that do exist may be not be available at the time of year needed. The military training schools have limited online programs and resident capacity, and it can be difficult for reservists to align the training opportunities offered with the obligations of their civilian employment.<sup>80</sup> Even before current operations began, and prior to recent recruiting successes, some Army recruits waited up to a year for basic training and skill courses because seats were not available.<sup>81</sup> One example of such shortages in training opportunities is in flight school: although the Army National Guard contains approximately 44 percent of the Army’s aviation force structure, there is evidence it has been allocated only about 20 percent of the flight school seats.<sup>82</sup> As of October 2007, the Army National Guard had 80,235 personnel who required training. Of that number, 23,886 soldiers are awaiting skill courses and 13,109 are recruits who need basic training.<sup>83</sup>

Lieutenant General Stultz identified for the Commission persistent shortages in the Army Reserve’s skilled personnel. In 2006, only 75 percent of service members had the skills and qualifications for the position in which they are serving, as measured by Duty Military Occupational Skill Qualifica-

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76 Major General Vane, U.S. Army, Joint Staff J-8, Vice Director for Force Structure, Resources and Assessments, testimony before the CNGR Hearing on Reserve Component Policy Reform, transcript of April 12, 2007, (second morning) hearing, p. 25.

77 Lieutenant General Lovelace, prepared statement, April 12, 2007, p. 7.

78 Secretary Harvey, prepared witness statement before the CNGR, Hearing on Proposed Changes to the National Guard, January 31, 2007 (available at [www.cngr.gov/public-hearings-events-January07.asp](http://www.cngr.gov/public-hearings-events-January07.asp)), pp. 2–3.

79 MFR, CNGR staff meeting with the Army National Guard Directorate, Individual Training Division, October 19, 2007, p. 2.

80 MFR, CNGR staff visit to Georgia National Guard, Atlanta, June 26, 2007.

81 MFR, CNGR staff meeting with Van Clark, Deputy Chief, Training Division (NGB-ART), October 19, 2007; Van Clark, presentation, “Army National Guard DMOSQ [Duty Military Occupational Skill Qualification] Strategic Action Plan,” October 17, 2007, p. 5; Force Structure and Army Training Requirements and Resource System (ATRRS) data from the National Guard Bureau, November 8, 2007.

82 National Guard Bureau, information paper, “ARNG Entry Rotary Wing Quota Shortage,” October 25, 2006.

83 MFR, CNGR staff meeting with Van Clark, October 19, 2007.



tion (DMOSQ)—well short of the Army Reserve’s goal of 85 percent. Officers and noncommissioned officers were unable to attend leader development courses—the Captain’s Career Course (CCC), Warrior Leader Course (WLC), Basic Noncommissioned Officer Course (BNCOC), and Advanced Noncommissioned Officer Course (ANCOC)—because of a \$51.8 million shortfall between the \$140.1 million allocated for institutional training and the \$191.9 million needed.<sup>84</sup> In 2007, the Army Reserve informed the Commission that 70.4 percent of personnel have their DMOSQ, leaving about 61,240 or 30 percent who require training. Of that number, 42,915 are soldiers awaiting skill training, for which most have been scheduled, and 18,325 are recruits scheduled for basic training.<sup>85</sup> The Army Reserve reported that it lacks \$66.1 million of the funding it needs to provide initial entry training for officer and enlisted accessions.<sup>86</sup>

## Navy Personnel

The Navy is currently executing a planned reduction in the size of the Navy Reserve, from 87,800 in 2003 to 67,800 in 2008.<sup>87</sup> Rear Admiral Stanley D. Bozin testified, “Each year we have continued to right size the force. We’re doing that along with the Reserve. As we’ve stated, we’ve come down on the active side. We’re continually coming down and we’ve reduced slightly on the reserve side as we continued the right size, make sure we have the right personnel. As we have new technologies come on board, I expect that to continue.”<sup>88</sup> Those who remain in the Navy Reserve are staying longer and serving on active duty more often. Rear Admiral Edward Masso told the Commission that “Navy Reserve attrition rates (loss from pay status) have decreased by more than 2% for enlisted personnel and nearly 5% for officers compared to the historical average.”<sup>89</sup>

According to Rear Admiral Masso, heavily used ratings (job specialties) during the global war on terror include the “Naval Construction Force (SEABEES), Naval Special Warfare (NSW) and Naval Special Operations (NSO) (SEALS, EOD, SWCC), and our Health Professionals. We have been, and continue to be, concerned about the long-term strength and health of these communities. We have identified programs to help address the challenges, and we are optimistic about meeting future commitments.”<sup>90</sup>

The Navy reported to the Commission that for the enlisted Navy Reserve, “the RC is experiencing very low prior service accession rates particularly in the GWOT [global war on terror] ratings. This will contribute to manpower shortages and retention/continuation issues in the future.” For officers, the Navy Reserve “is experiencing very low accession rates at the O-1 to O-3 level.”<sup>91</sup>

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84 Office of the Chief, Army Reserve, written response to questions of August 10, 2006, from the CNGR, December 4, 2006.

85 Data provided on request from John Schultz, U.S. Army Reserve Command, November 9, 2007.

86 Office of the Chief, Army Reserve, written response of December 4, 2006, p. 1.

87 Rear Admiral Edward Masso, prepared witness statement before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, June 21, 2007 ([www.cngr.gov/June%2019-21/Masso%20Statement.pdf](http://www.cngr.gov/June%2019-21/Masso%20Statement.pdf)), p. 12.

88 Rear Admiral Bozin, testimony before the CNGR, Hearing on Resourcing and Readiness, transcript of May 16, 2007, (second morning) hearing ([www.cngr.gov/May%2015-17/0516cngr2.pdf](http://www.cngr.gov/May%2015-17/0516cngr2.pdf)), p. 15.

89 Rear Admiral Masso, prepared statement, June 21, 2007, p. 4.

90 Rear Admiral Masso, prepared statement, June 21, 2007, p. 5.

91 CNGR request for data from DOD, November 1, 2006, question #26 (on retention)—data received from the Navy September 14, 2007, n.p.

## Marine Corps Personnel

The Marine Corps Reserve relies heavily on a first-term enlisted force. Lieutenant General Ronald S. Coleman, USMC, Deputy Commandant, Manpower and Reserve Affairs, testified that “[e]nlisted Reserve retention is currently lower than has been seen in the last 2 years, and is being monitored very closely.”<sup>92</sup> The active component’s increase in retention and growth have combined to reduce transitions from the active to the reserve component. Rather than having both components of the Marine Corps compete for the same individual, the Marine Corps Reserve is working to meet its personnel requirements by encouraging entry into the Selected Reserve instead of the Individual Ready Reserve.<sup>93</sup>

Because most Marine Corps Reserve officers come from the active component with career experience, the reserve is chronically short of junior officers. At the same time, the Marine Corps is seeing an increased demand for field grade officers. Major General Richard A. Huck, U.S. Marine Corps, Assistant Deputy Commandant for Plans, Policies and Operations, testified:

the coin of the realm for many of your headquarters, OIF [Operation Iraqi Freedom] and the OEF [Operation Enduring Freedom], are field grade officers, staff planners, all right. So they want majors and they want lieutenant colonels. If you go and look at an infantry battalion, Reserve or active, in the Marine Corps, there are three field grade officers in that battalion—the commanding officer, the executive officer, and the Ops O [operations officer]. And if someone comes to you and says, I need an IA [individual augmentee], a major, and oh, by the way your operations officer is fine, you can see the effect that that has on the unit. . . . [A] captain has to step up because you’re not going to get another major.<sup>94</sup>

Lieutenant General Jack W. Bergman, Commander of Marine Forces Reserve, testified that “[j]unior officer recruiting remains our most challenging area.” However, he was optimistic that recent innovations in officer accession policies would resolve this issue by 2011.<sup>95</sup>

Both officers and enlisted service members must be trained and retrained to meet Marine Corps Reserve skill requirements. About 8,510 marines or 23 percent of the personnel in the Selected Marine Corps Reserve are not formally trained for their position. Of these, 5,813 marines or about two-thirds require skill training. The remainder are scheduled to attend basic training.<sup>96</sup>

**Finding:** A large percentage of reservists, particularly in the Army and Marine Corp, are not formally trained for their jobs.

## Air Force Personnel

The Air Force has a high overall retention rate, but it is experiencing some imbalance in specific skill sets. Air Force readiness has decreased in the past five years, primarily as a result of a decrease in personnel readiness. From 2001 to 2006, the percentage of Air Force Reserve Units in the lowest readiness categories doubled. These units reported that they did not possess the required resources

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92 Lieutenant General Coleman, prepared witness statement before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, June 21, 2007 ([www.cngr.gov/June%2019-21/Coleman%20Statement.pdf](http://www.cngr.gov/June%2019-21/Coleman%20Statement.pdf)), p. 9.

93 Lieutenant General Coleman, prepared statement, June 21, 2007, p. 9.

94 Major General Huck, testimony before the CNGR, Hearing on Reserve Component Policy Reform, transcript of April 12, 2007, (first morning) hearing ([www.cngr.gov/hearing411-12/0416cngr1.pdf](http://www.cngr.gov/hearing411-12/0416cngr1.pdf)), p. 29.

95 Lieutenant General Bergman, prepared witness statement before CNGR, Hearing on National Guard and Reserve Issues, July 19, 2006 (available at [www.cngr.gov/public-hearings-events-July06.asp](http://www.cngr.gov/public-hearings-events-July06.asp)), pp. 4–5.

96 Skill Qualified Personnel data from Headquarters Marine Corps, Reserve Affairs Division, November 9, 2007.

and training to undertake most of the wartime missions for which they were organized or designed. The readiness of Air National Guard units dropped similarly during the same period. In both cases, the major factor contributing to this decline was the reduced readiness of Air Force personnel.<sup>97</sup>

This decline in personnel readiness resulted from a reduction in qualified personnel and the need for Air Force specialty code (AFSC) retraining to another specialty. The Air Force has a significant retraining requirement driven by transformation, modernization, and the consolidation of installations. The Air Force Reserve informed the Commission that as of October 2007, 2,998 officers (17.5 percent) and 16,922 enlisted personnel (31.4 percent) required retraining or upgrade training.<sup>98</sup> Examples of developments that necessitate retraining include fighter units transitioning from F-16s to new F-22 aircraft, new unmanned aerial vehicle units, and C-130 transport units becoming support units.<sup>99</sup>

Lieutenant General John A. Bradley, Chief of Air Force Reserve, and Chief Master Sergeant Winsett, Command Chief, Air Force Reserve Command, both testified that “[d]uring steady state peacetime operations we are able to keep our personnel trained and ready at all times. However, due to the Global War on Terrorism and corresponding steady state operational participation we face today, it is a challenge to keep our reservists fully qualified. Upon their return from deployment, we incur ‘personnel reconstitution costs’ in order to get them trained to the required skill levels, which keep them operationally ready to participate when called.”<sup>100</sup>

## B. INDIVIDUAL MEDICAL READINESS

Individual reservists must be medically ready to serve. Not meeting medical and dental readiness standards may result in a reservist’s failure to deploy, lengthy delays during the mobilization process, or an increased risk of injury, illness, or fatality. Individual medical readiness (IMR) is also an important element of personnel readiness, but it is measured and reported separately from the C-ratings. The Commission believes that individual medical readiness should be incorporated into personnel readiness ratings to better reflect the reserve components’ ability to achieve their wartime mission.

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Not meeting medical and dental readiness standards may result in a reservist’s failure to deploy, lengthy delays during the mobilization process, or an increased risk of injury, illness, or fatality.

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To reduce to the greatest extent possible the problems associated with lack of medical readiness, the Reserve Forces Policy Board recommended in 2004 that DOD “[e]stablish an RC Individual Medical Readiness (IMR) standard” and “[r]esource medical readiness screening to ensure compliance with statutory/regulatory requirements.”<sup>101</sup> In 2005, GAO reported that although DOD policies require an annual dental exam and physical fitness evaluation, many personnel “deployed into theater with

97 CNGR staff analysis of data from DOD, provided in response to question #64 (on readiness).

98 Air Force Reserve personnel data from Air Force Headquarters Reserve Directorate of Personnel, October 31, 2007.

99 CNGR staff analysis of data from DOD, provided in response to question #64 (on readiness); see also the Honorable Michael W. Wynne, Secretary, USAF, and General T. Michael Moseley, Chief of Staff, USAF, prepared witness statement before the CNGR, Hearing on Proposed Changes to the National Guard, December 14, 2006 ([www.cngr.gov/hearing121314/Wynne-Moseley%20Statement.pdf](http://www.cngr.gov/hearing121314/Wynne-Moseley%20Statement.pdf)), pp. 18–19.

100 Lieutenant General Bradley, prepared statement, July 19, 2006, pp. 19–20; Chief Master Sergeant Winsett, prepared statement, June 15, 2006, pp. 11–12.

101 Reserve Forces Policy Board, *Annual Report*, 2004, pp. 1, 12.

preexisting conditions, such as diabetes, heart problems, and cancer.”<sup>102</sup> In 2006, the Assistant Secretary of Defense for Health Affairs established the total force IMR standard, which comprises six elements: dental readiness, possession of required individual medical equipment, completion of a periodic health assessment, proper immunization status, absence of conditions that would limit deployment, and completion of medical readiness laboratory studies.<sup>103</sup> Funding to meet IMR requirements comes from multiple sources, with both DOD and the service member paying a share. Physical fitness is addressed through other measures and is not a formal element of IMR.

Table IV.1 reports each service’s individual medical readiness, which combines those who are fully ready, those who are partially ready (reservists that are *partially ready* are missing an immunization or do not have a current exam on file, issues that can be easily resolved during mobilization),<sup>104</sup> and those reported to be in a deployable dental condition (Dental Class 1 or 2).<sup>105</sup> It indicates significant persistent medical readiness problems in the Army and Marine Corps reserve components. DOD’s IMR goal for each service is 75 percent.<sup>106</sup>

Table IV.1. Individual Medical Readiness by Service, Q4 FY 2007

Service	Medical (%)	Dental Only (%)
ANG	81.3	87.3
AFR	74.1	83.5
ARNG	38.0	45.6
USAR	40.8	51.8
USCGR	69.8	74.6
USMCR	66.0	77.2
USNR	84.5	90.0

Source: DOD “Balanced Scorecard,” individual medical readiness metric, October 2007, pp. 12, 14.

**Finding:** DOD sets a service-wide goal of 75 percent for individual medical readiness. Five of the seven reserve components are not satisfactorily meeting DOD medical readiness standards.

DOD policy prescribes that each member of the Selected Reserve receive an annual dental examination, undergo a periodic health assessment, and be evaluated annually for physical fitness for duty, a process that includes assessing aerobic capacity, muscular strength, muscular endurance, and fat composition.<sup>107</sup>

102 GAO, “Military Personnel: Top Management Attention Is Needed to Address Long-standing Problems with Determining Medical and Physical Fitness of the Reserve Force,” GAO-06-105 (Report to Congressional Committees), October 2005, Highlights (n.p.).

103 Department of Defense Instruction 6025.19, “Individual Medical Readiness (IMR),” January 3, 2006, pp. 8–9.

104 DOD Instruction 6025.19, “Individual Medical Readiness (IMR),” p. 4.

105 DOD Instruction 6025.19, “Individual Medical Readiness (IMR),” pp. 8–10.

106 DOD Instruction 6025.19, “Individual Medical Readiness (IMR),” p. 3.

107 Assistant Secretary of Defense for Health Affairs, memorandum, “Policies on Uniformity of Dental Classification System, Frequency of Periodic Dental Examinations, Active Duty Overseas Screening, and Dental Deployment Standards,” February 19, 1998; Assistant Secretary of Defense for Health Affairs, memorandum, “Periodic Health Assessment Policy for Active Duty and Selected Reserve Members,” February 16, 2006; GAO, “Military Personnel: Top Management Attention Is Needed to Address Long-standing Problems with Determining Medical and Physical Fitness of the Reserve Force,” pp. 8–9.

Each service requires service members to maintain differing levels of medical readiness, monitors members' medical readiness in different ways, and takes different approaches to solving reserve component members' medical problems. The Air Force has implemented a "no pay/no points" policy for service members who fail to meet their individual medical readiness obligations within a reasonable period of time.<sup>108</sup> The Navy requires that personnel be medically ready before serving in annual training, inactive duty for training, or other active duty such as for operational support. If an individual is not medically ready, as verified by the Navy's medical readiness reporting system, his or her orders will be held up until the deficiency is resolved or manually overridden by an appropriate authority.<sup>109</sup>

**Finding:** The Navy and Air Force require reserve service members to be medically ready before they are allowed to perform their annual training duty.

To address dental health, all service members are eligible to enroll in the TRICARE Dental Program, which is premium-based dental insurance available to active duty family members, national guardsmen and reservists, and their eligible family members. Once activated for more than 30 consecutive days, reserve component members receive dental services through the active duty military dental care system.<sup>110</sup> The belief is widespread among service members that DOD policy places limits on the ability of reservists to receive medical and dental care while on duty.<sup>111</sup> In fact, the Under Secretary of Defense for Personnel and Readiness has issued policy guidance clarifying that members of the Ready Reserve are entitled to medical and dental care while on military duty. A member of the Ready Reserve may at any time, while in a military duty status, be provided dental screenings or care necessary to meet dental standards for deployment without charge to the member.<sup>112</sup> Although such dental care is available, the Assistant Secretary for Health Affairs has made clear that "[f]or the Reserve Component, dental readiness is a commander and individual responsibility when not on active duty."<sup>113</sup>

**Finding:** The Under Secretary of Defense for Personnel and Readiness has issued policy guidance clarifying that members of the Ready Reserve are entitled to medical and dental care at any time while on military duty.

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108 Air Force Instruction 48-123, *Medical Examination and Standards*, vol. 4, "Special Standards and Requirements," June 5, 2006, p. 3.

109 Captain Mary K. Jacobsen, Nurses Corps, USN, Director, Force Health Policy and Planning Office of Chief of Navy Reserve, e-mail to CNGR staff, October 22, 2007.

110 Under Secretary of Defense for Personnel and Readiness, memorandum, "Health Care Benefits for Reserve Components Members and Their Dependents: Second Addendum to Mobilization/Demobilization Personnel and Pay Policy for Reserve Component Members Ordered to Active Duty in Response to the World Trade Center and Pentagon Attacks," January 7, 2004, n.p.

111 The Commission conducted numerous focus group discussions with reserve members, and site visits also provided Commissioners the opportunity for informal discussions with members of all reserve components. Almost universally, the availability of dental examinations and treatment was a major concern expressed during these exchanges (see, e.g., CNGR NORAD-NORTHCOM Trip Report, January 24–25, 2006, p. 4; MFR, CNGR visit to the 433rd Airlift Wing, Lackland AFB, TX, June 20, 2006, p. 1). At the CNGR Hearing on National Guard and Reserve Issues, these concerns were voiced by reserve component leaders and enlisted members alike: see the transcript of the July 19, 2006, hearing, comments by Lieutenant General Stultz, Chief of the Army Reserve, on dental care during demobilization (pp. 33–34), and comments by Corporal Adrian Garza, USMC (pp. 78–79).

112 "TRICARE Dental Program," TRICARE Fact Sheets, January 31, 2007 ([www.tricare.mil/Factsheets/viewfactsheet.cfm?id=320](http://www.tricare.mil/Factsheets/viewfactsheet.cfm?id=320)).

113 Assistant Secretary of Defense for Health Affairs, memorandum, "Policy on Oral Health and Readiness," January 9, 2006, n.p.



**Recommendation:**

34. Ensuring individual medical readiness is a corporate responsibility of the Department of Defense. The Assistant Secretary of Defense for Health Affairs should create an account in the Defense Health Program for the reserve components to meet the individual medical readiness (IMR) requirements that it has established, and then hold individuals and their unit commanders responsible for maintaining individual medical readiness standards.
  - a. DOD should provide annual dental screening at no cost to service members.
  - b. To encourage reservists to maintain dental readiness, Congress should, for the member only, reduce the out-of-pocket costs for restorative dental care (currently 20–50 percent) under the TRICARE Dental Program.
  - c. All services should adopt a policy of requiring service members to be medically ready at the time they complete annual training requirements.
  - d. Commanders of all National Guard and Reserve units should be held responsible for the individual medical readiness of their unit, and reserve component members should have appropriate incentives to meet IMR standards.

Congress should authorize that service Secretaries may provide members of the Ready Reserve any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment. To provide such screening and care, service Secretaries should be authorized to use any available funds appropriated for the operations and maintenance for the reserve components involved.

## C. FULL-TIME SUPPORT

The readiness of reservists to fulfill their wartime mission depends heavily on full-time support. Full-time support staff—Active Guard and Reserve (AGR) personnel, military technicians, active component personnel, and federal civil service (CS) personnel—are provided to accomplish reserve component readiness goals.<sup>114</sup> John O. Marsh, Jr., former Secretary of the Army for the Reagan administration and a former U.S. congressman, testified that “[f]ull time personnel’ contribute immensely to the readiness and effectiveness of the units in which they serve.”<sup>115</sup>

FTS personnel enable reservists to focus on training during drill periods. In deployable units, they perform a wide range of day-to-day functions such as training, recruiting, retention counseling, equipment maintenance, administration, and record keeping, and they serve as advisors to reserve commanders. In non-deployable units such as headquarters and training battalions, they participate in the administration of and set policy for the reserve components, serve as liaisons between the active and reserve components, and train and inspect units.<sup>116</sup> Because

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The readiness of reservists to fulfill their wartime mission depends heavily on full-time support.

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<sup>114</sup> DOD Instruction 1205.18, “Full-Time Support (FTS) to the Reserve Components,” pp. 3–4. For complete definitions of FTS personnel, see Enclosure 2, pp. 8–9.

<sup>115</sup> The Honorable John O. Marsh, Jr., Distinguished Professor of Law, George Mason University, prepared witness statement before the CNGR, Hearing on Homeland Defense/Homeland Security, May 4, 2006 ([www.cngr.gov/hearing503-4/Marsh.pdf](http://www.cngr.gov/hearing503-4/Marsh.pdf)), p. 6.

<sup>116</sup> Marygail K. Brauner and Glenn A. Gotz, *Manning Full-Time Positions in Support of the Selected Reserves* (Santa Monica, CA: Rand, 1991), pp. 3–4.

FTS personnel are “responsible for assisting in the organization, administration, recruitment, instruction, training, maintenance, and supply support to the RCs,”<sup>117</sup> the Commission believes that the number, the type, and the distribution of FTS are key factors in determining the readiness of the reserve components.

**Finding:** Adequate full-time support is essential for reserve component unit readiness.

The reserve components use FTS personnel in different capacities with a very different mix of AGR, military technicians, active component personnel, contracted personnel, and civilians (see Table IV.2). Such variation is due largely to their very different mission sets, component structures, maintenance requirements, and FTS needs at the unit level. The services also vary considerably in their distribution of full-time support personnel. The different levels within the organization—company, squadron, battalion, brigade, division, and wing—often have differing requirements for FTS personnel.



Commissioner Dawson, General Jones, and General Smith at October 2006 hearing.

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117 DOD Instruction 1205.18, “Full-Time Support (FTS) to the Reserve Components,” p. 2.

Table IV.2. Full-Time Support by Component

	Authorized End Strength	Active Guard and Reserve*		Military Technicians		Active Component Assigned to Unit FTS	Authorized FTS as % of End Strength
		Required	Authorized	Required	Authorized		
<b>ARNG</b>	351,300	42,482	29,204	42,329	26,502	0*	15.9
<b>USAR</b>	205,000	21,322	15,870	13,057	8,249	184*	11.9
<b>ANG</b>	106,700	13,936	13,936	22,553	22,553	0	34.2
<b>AFR</b>	74,000	2,721	2,721	9,909	9,909	363	17.6
<b>USNR</b>	67,500	11,579	11,579	--	--	736	18.2
<b>USMCR</b>	39,600	2,261	2,261	--	--	4,405	16.8

Sources: Authorization data: House Report 110-477, Conference Report to accompany H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, 110th Cong., 1st sess., December 6, 2007, §§412-413; Army reserve component requirements: U.S. Army briefing, "Revalidation of Full-time Support Requirements—Report Out to the RCCC [Reserve Component Coordination Council]," December 7, 2005, pp. 1, 7; active duty assigned to FTS for Navy: Reserve Component FY 2008 President's Budget Operations and Maintenance Justification Books, exhibit PB-31R, "Personnel Summary," February 2007, p. 117; Marine Corps Reserve data: Department of the Navy, "FY 2007 Budget Justification Estimates," February 2006, Reserve personnel, Marine Corps, p. 81; active duty Army support to the reserve components under Title XI: Office of the Secretary of the Army, *Posture Statement of the United States Army* (2007), Addendum E, p. 8.

Note: AGR includes Marine AR and Navy FTS. The Air Force, Navy, and Marine Corps and their reserve components maintain their authorizations to meet approved requirements and do not generate separate FTS requirement documents.

\*The *Army Posture Statement* (2007), Addendum E, states that there were a total of 3,327 active component personnel assigned to full-time support. They are distributed as follows: 184 to the Army Reserve, 5 to Human Resources Command, 264 to TRADOC, 3,805 to FORSCOM, 4 to ESGR, and 89 to U.S. Army, Pacific Command. No soldiers were assigned to the Army National Guard.

## The Active Guard and Reserve (AGR) Program

AGRs are reserve component members on full-time active duty. There are two types of AGRs within the National Guard: Title 32, filling National Guard positions within a state, and Title 10, filling positions supporting the component at the federal level. Army Reserve and Air Force Reserve AGRs are Title 10 regardless of where they are assigned. In addition to those who are specifically called AGRs, this category includes Navy Reserve and Marine Corps Reserve full-time support program personnel (called FTS in the Navy and Active Reserve, or AR, in the Marines).

AGR duty is defined generally as "active duty or full-time National Guard duty performed by a member of a reserve component of the Army, Navy, Air Force, or Marine Corps, or full-time National Guard duty performed by a member of the National Guard, pursuant to an order to active duty or full-time National Guard duty for a period of 180 consecutive days or more for the purpose of organizing, administering, recruiting, instructing, or training the reserve components."<sup>118</sup>

AGR duty has evolved and expanded to include the performance of those same duties in support of operations and missions generally conducted by mobilized reserve forces. Section 12314 of 10 U.S.C. states, "Notwithstanding any other provision of law, a member of a reserve component who is on active duty other than for training may, under regulations prescribed by the Secretary concerned, be detailed or assigned to any duty authorized by law for members of the regular component of the armed force concerned."

<sup>118</sup> 10 U.S.C. §101(d)(6)(A).

Although members of the AGR workforce are obligated to meet occupational specialty requirements for their service, many AGRs do not fill billets in their specialty; they become in effect generalists in their units, taking on “other duties as assigned.”<sup>119</sup> Because they must keep the unit operational during the weeks that reservists are not drilling, they assume responsibilities for personnel issues, training, supply, and preparation for deployment. In 2000, the Office of the Assistant Secretary of Defense for Reserve Affairs reported that the AGR force needed to be better integrated with the active component as well as more closely aligned with the training and education standards of the active forces.<sup>120</sup>

AGRs in the Army and Marine Corps can find it difficult to retain the tactical and technical proficiency that they must instill in their units, because (unless their units are experiencing high operational tempo) their jobs are generally administrative in nature. Members of the AGR workforce are busy caring for the needs of the reserve unit, and many have little opportunity to get out in the field to train regularly.<sup>121</sup> Such demands can serve to limit the command opportunities for AGR staff officers in the Army and Marine Corps.<sup>122</sup>

In addition to the federal statutes, the states implement and manage the Army National Guard AGR program, and AGR guardsmen are responsible to the states.<sup>123</sup> A state’s National Guard can keep its AGR staff within its borders and in specific units.<sup>124</sup>

**Finding:** Participants in the Army AGR and Marine Corps AR programs have limited opportunities to train or gain experience in their occupational specialty.

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The greatest identified expense associated with making the Army’s reserve components operational is the provision of full-time support.

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## The Military Technicians Program

Military technicians are federal civilian employees hired under Title 5 and Title 32 authorities. They are used by the Army and Air Force to provide support to deployable reserve units. Unlike regular civilian employees, military technicians are generally required to maintain membership in the Selected Reserve as a condition of their employment. They therefore have “dual status,” as both federal civilian employees and military reservists, enabling them to mobilize with the reserve unit that they support. Non-dual-status military technicians are not members of the Selected Reserve and cannot be ordered to deploy with their unit when it is mobilized.<sup>125</sup>

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119 Lieutenant Colonel Edward K. Chun Fat, Jr., USANG, “The Army National Guard’s Full-Time Support Program and Its Impact on Readiness,” USAWC [U.S. Army War College] Strategy Research Project, March 19, 2004, pp. 9–10.

120 Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA), Report to Congress, “A Review of the Reserve Components’ Active Guard and Reserve (AGR) Programs,” June 2000, pp. 5–7.

121 Lieutenant Colonel Scott B. Thompson, USA, “Mission Impossible—The Army National Guard and the Global War on Terror,” USAWC Strategy Research Project, March 18, 2005, p. 7; Headquarters Marine Corps, Manpower and Reserve Affairs (HQMC-MRA), information paper, “Reserve Manpower Management,” August 20, 2003, pp. 1–3.

122 HQMC-MRA, “Reserve Manpower Management,” pp. 1–3; Jeffrey A. Jacobs, *The Future of the Citizen-Soldier Force: Issues and Answers* (Lexington: University Press of Kentucky, 1994), pp. 23–24.

123 Jacobs, *The Future of the Citizen-Soldier Force*, pp. 21–22.

124 Thompson, “Mission Impossible,” p. 7.

125 Lawrence Kapp, “Military Technicians: The Issue of Mandatory Retirement for Non-Dual-Status Technicians,” CRS Report RL30487 (March 28, 2000), p. 1.

The military technician programs of the federal reserves operate under the authority of federal civil service laws. Each service has a separately negotiated agreement with the Civil Service Commission concerning employment conditions for technicians.<sup>126</sup>

DOD requires that all dual-status military technicians must “maintain active status in the RC unit in which they are employed as a civilian, or one in which they are employed to support[.]”<sup>127</sup> This requirement ensures continuity of support when the unit is deployed, as the military technicians cannot deploy with two separate units, one they work for as a civilian and the other in their military capacity. The Air Force Reserve has strictly enforced this unit affiliation requirement. The Army Reserve has not, allowing a number of exemptions.<sup>128</sup>

**Finding:** Many Army Reserve military technicians are assigned to different units in their military and civilian assignments.

### *Army FTS*

The greatest identified expense associated with making the Army’s reserve components operational is the provision of full-time support. Providing 100 percent of the Army’s requirement for FTS would necessitate an added \$11.9 billion investment from FY 2010 to FY 2015.<sup>129</sup> The Army informed the Commission that “FTS personnel are critical links to interoperability of the Army components. As the RC continues to transform within the constructs of the Army Force Generation (ARFORGEN) and implements the 12-month mobilization limits, many training tasks will move from the post-mobilization timeline to pre-mobilization in order to maximize boots on the ground time. This will add increased challenges to the RC for which FTS personnel will have a key role in overcoming.”<sup>130</sup>

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As a result of shortages in military technicians, the Army Reserve has deferred maintenance on an estimated 44 percent of its equipment.

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Adequate full-time support has been particularly problematic for the Army, as acknowledged by senior Army leadership in their FY 2003 Posture Statement: “The Army recognizes additional Full-Time Support authorizations as the number one priority of the Army National Guard and Army Reserve leadership.”<sup>131</sup> The number of full-time personnel supporting the Army reserve components directly affects unit readiness in numerous ways.<sup>132</sup> For example, dual-status technicians maintain most of the equipment in the Army reserve components.

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126 Kapp, “Military Technicians,” p. 3.

127 DOD Instruction 1205.18, “Full-Time Support (FTS) to the Reserve Components,” p. 5.

128 Kapp, “Military Technicians,” pp. 20, 21–22. A “unit membership requirement” for certain military technicians was enacted November 18, 1997, as part of Public Law 105-85, *National Defense Authorization Act for Fiscal Year 1998*, and is codified in 10 U.S.C. §10216(d). Similar unit membership requirements have existed for many years within the administrative agreements that govern the military technician programs in the Army Reserve and the Air Force Reserve. In the case of the Army Reserve, the annual Department of Defense appropriations acts from FY 1984 through FY 1996 also contained language barring funds to certain technicians who did not hold reserve membership in the same unit for which they worked in their civilian capacity.

129 Lieutenant General Stephen M. Speakes, Deputy Chief of Staff, G-8, briefing to CNGR staff, December 12, 2007, p. 4.

130 Army data requested November 1, 2006, question #10 (on full-time manning requirements)—received October 5, 2007, n.p.

131 Office of the Secretary of the Army, *Posture Statement of the United States Army* (2003), pp. 9–10.

132 Janet St. Laurent, GAO, Director, Defense Capabilities and Management Team, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, September 21, 2006 ([www.cngr.gov/hearing918-21/ReserveCommissiontestimonyGAO.pdf](http://www.cngr.gov/hearing918-21/ReserveCommissiontestimonyGAO.pdf)), pp. 13, 18–20.



The Army Reserve reports that its maintenance units are manned at 59 percent of their authorized levels, with 25 percent of those military technicians deployed at any given time. As the Army relies on military technicians in both their civilian and military capacities, it is important that they deploy with the same unit to which they provide technical support. In a briefing to the Commission, Lieutenant General Russel L. Honoré recommended that “[t]he mobilization and utilization of ARNG/USAR Military Technicians (MT) must be managed to ensure that overall unit readiness and maintenance recovery operations are not degraded.”<sup>133</sup> As a result of shortages in military technicians, the Army Reserve has deferred maintenance on an estimated 44 percent of its equipment, and its maintenance backlog has reached 4.1 million man-hours.<sup>134</sup>

According to an Army National Guard study, higher levels of full-time support improve personnel readiness. As recruiters and trainers, AGRs increase non-prior accessions and are responsible for a “net decrease in overall [personnel] losses.”<sup>135</sup> FTS personnel provide stability and institutional knowledge, and they often run the family readiness programs that assist family members and keep them informed about their loved ones during deployments.

**Finding:** The Army Reserve and Army National Guard full-time support programs are inadequate; this deficiency contributes to low readiness.

In 2001, the Government Accountability Office reported that the Army’s method of determining FTS requirements may overstate its military technician needs and may not be accurate. GAO concluded that “[a]lthough the Army has made significant progress in developing a more rigorous and comprehensive process for determining force requirements[,] . . . the process has not yet matured enough to provide a sound basis for all Army requirements.” The same study continued, “Independent Army assessments indicate that the major commands reviewed to date have overstated their requirements by about 20 percent[.]”<sup>136</sup>

In a 2001 statement to the House Armed Services Committee, Lieutenant General Roger C. Schultz, Director of the Army National Guard, described the lack of sufficient FTS in the units as his greatest concern.<sup>137</sup> In 2003, the Army budgeted a 2 percent annual increase in AGRs and military technicians for each reserve component through fiscal year 2012.<sup>138</sup> In October 2004, the Army began to assess and revalidate full-time support requirements in order to incorporate its new “train, mobilize, deploy” model and accompanying force structure changes. It concluded that an increase in FTS manpower was needed, and it raised its requirement for FTS personnel in the Army to 119,190: 42,482 AGR and 42,329 military technician positions in the Army National Guard, and 21,322 AGR and 13,057 military technician positions in the Army Reserve.<sup>139</sup>

In November 2004, GAO reported that the Army National Guard’s initiative “to improve readiness by increasing the amount of full-time support personnel within its units is still based on its tiered-

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133 Lieutenant General Honoré, Commanding General First U.S. Army, briefing to the Commission, October 4, 2006, p. 23.

134 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 2-30.

135 Army National Guard, “Relationship Between Full-Time Manning and Readiness,” September 12, 2007, p. 6.

136 GAO, “Force Structure: Projected Requirements for Some Army Forces Not Well Established,” GAO-01-485 (Report to Congressional Committees), May 2001, pp. 2–3.

137 Lieutenant General Schultz, prepared statement before the House Armed Service Committee, Hearing on Military Personnel, Health Care and the Reserve Component Issues in the Fiscal Year 2002 National Defense Authorization Budget Request, 107th Cong., 1st sess., July 18, 2001, n.p.

138 *Army Posture Statement* (2003), p. 9.

139 U.S. Army briefing, “Revalidation of Full-time Support Requirements—Report Out to the RCCC [Reserve Component Coordination Council],” December 7, 2005, pp. 1, 7.

readiness model, which resources some Guard units well below requirements.”<sup>140</sup> Despite lingering questions about how accurately the Army has calculated its overall FTS requirements, there is no doubt that the Army’s reserve components, particularly at the small unit level, are inadequately manned by full-time staff.

**Finding:** The Army does not have a reliable process for determining full-time support requirements in its reserves. Despite years of increased use of and reliance on the reserves for missions in the homeland and overseas, the Army has not resourced adequate FTS personnel to its reserve components.

There also are problems with the type and distribution of Army FTS. In 2000, the Office of the Assistant Secretary of Defense for Reserve Affairs reported to Congress that 94 percent of Army National Guard and Army Reserve AGRs worked in direct support of units.<sup>141</sup> Yet that same year, Rand analysts estimated that in the Army’s reserve components, “less than one-quarter of the 66,000 [FTS] are at the company level or below,” noting that many are placed in “TDA [Table of Distribution and Allowance] organizations or are not otherwise associated with a specific unit that they would accompany on deployment.”<sup>142</sup> The reports differ in how they define direct support of units. The Commission’s own analysis of Army Reserve AGR billets in 2007 identified only a quarter (4,088 out of 16,075) of the total FTS support as directly assigned to the small unit level (i.e., company, platoon, and detachments).<sup>143</sup> In some cases, units have no FTS assigned and must rely on headquarters at some level above them to carry out unit business.<sup>144</sup>

**Finding:** Small units (equivalent to company-size and below) in the Army reserve components have not received adequate FTS personnel to conduct their range of missions, including assigned homeland missions.

Another significant variation in full-time support across the services is the extent to which such personnel further total force integration. There are significant advantages to having full-time support in reserve units provided either by personnel or by full-time reservists who periodically serve tours of duty. It promotes shared competencies and common operational standards, mutual trust, and understanding; leads to closer integration; and increases the likelihood that future senior leaders in the active components will understand the nature of reserve service.

Congress attempted to increase total force integration by passing the Army National Guard Combat Reform Initiative (or Title XI) in the National Defense Authorization Act for Fiscal Year 1993. Title XI contains 19 separate initiatives geared to improving training readiness and increasing the responsiveness of the reserve components.<sup>145</sup> One initiative, which called for the active Army to become more involved with the readiness and training of the reserves, authorized 5,000 active component soldiers as advisors and trainers to reserve component units.<sup>146</sup>

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140 GAO, “Reserve Forces: Actions Needed to Better Prepare the National Guard for Future Overseas and Domestic Missions,” p. 18.

141 OASD-RA, “A Review of the Reserve Components’ Active Guard and Reserve (AGR) Programs,” p. 2.

142 John M. Halliday, David Oaks, and Jerry M. Sollinger, “Breaking the Mold: A New Paradigm for the Reserve Components,” Rand Issue Paper IP-190, 2000, p. 3.

143 Active Guard and Reserve data provided by the Full-Time Support Division, Office of the Chief, Army Reserve, September 4, 2007.

144 Fat, “The Army National Guard’s Full-Time Support Program and Its Impact on Readiness,” p. 6.

145 Public Law 102-484, *National Defense Authorization Act for Fiscal Year 1993*, October 23, 1992, §§1101–1137.

146 “National Guard and Reserves,” chapter 26 of *Annual Report to the President and the Congress*, by the Secretary of Defense ([Washington, DC: Department of Defense], 1996), Title XI Initiatives, p. 3.

Despite this initiative focused on providing greater active component involvement in full-time support for reserve component units, the Army reserve components predominantly rely on AGRs and military technicians.<sup>147</sup> Some services also employ contractors in FTS positions, but it is difficult to ascertain the numbers involved or their impact.<sup>148</sup> They also use soldiers in statuses such as active duty for operational support (ADOS), or extended active duty, to assist units preparing for mobilization.<sup>149</sup> In this way, needed support is provided without furthering total force integration, since those offering the support are drawn solely from the reserve component. The Army reduced the number of Title XI active component soldiers assigned to reserve units to 4,756 by fiscal year 2004,<sup>150</sup> and to 3,327 with the authorization in the NDAA for FY 2005.<sup>151</sup>

The selection criteria for active component service members for the Title XI program may have contributed to its failure. The Army National Guard Full-Time Manpower Division Chief told Commission staff that active component service members assigned to National Guard units were often close to retirement.<sup>152</sup> Moreover, officers assigned to the reserves had lower promotion rates. In 2005, only 42.1 percent of the lieutenant colonels assigned to reserve units were selected for promotion, in comparison with the average Army promotion rate for this grade of 88.7 percent (in 2006, 68.7 percent were selected, while the overall Army average was 90.9 percent).<sup>153</sup>

Active component personnel are assigned to other organizations that maintain reserve component readiness, such as First Army and U.S. Army Forces Command (FORSCOM). These personnel are not assigned to either the Army Reserve or National Guard, and therefore are not counted as FTS. Lieutenant General Honoré told the Commission that since 2001, the number of active component soldiers supporting the reserves has been reduced by 4,000.<sup>154</sup>

**Finding:** Both the congressional initiative undertaken in the 1990s to provide active component support for the Army reserve components and DOD efforts have failed to achieve integration in the Army.

### *Navy FTS*

In the past decade, the Navy has made many personnel changes in support of the Total Force Policy, including giving the active component greater command and control responsibility for the reserve force. The Navy balances FTS personnel in operational and reserve assignments, providing support at all levels of organization while integrating Navy reservists into naval operations.<sup>155</sup> The active Navy is now responsible for the training and readiness of the reserve forces, duties for which previously the reserve component was solely responsible. A large proportion of full-time support for the

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147 Army Reserve Forces Policy Committee (ARFPC), "White Paper on Full-time Support," 2007, pp. 14–17.

148 MFR, meeting of CNGR staff with the Army National Guard Directorate, Full-Time Manpower Division Chief, August 9, 2007.

149 ARFPC, "White Paper on Full-time Support," p. 10.

150 Office of the Secretary of the Army, *Posture Statement of the United States Army* (2005), figure A-3.

151 In 2006, the Army continued reducing Title XI authorizations in accordance with the NDAA for FY 2005 (Public Law 108-767, §515).

152 MFR, CNGR staff meeting with the National Guard Full-Time Manpower Chief (NGB-ARM), August 9, 2007.

153 *Army Posture Statement* (2007), Addendum E, p. E-1.

154 By mid-June 2007, their numbers had fallen to 3,500 from 7,500 (MFR, CNGR staff visit to First Army, Fort Gillem, GA, June 25, 2007).

155 Lieutenant Kathleen Hosie, "FTS Commander Takes Command of USS Vincennes," Navy.mil, February 12, 2004 ([www.navy.mil/search/display.asp?story\\_id=11802](http://www.navy.mil/search/display.asp?story_id=11802)).

Navy Reserve is provided by full-time reservists who serve both in reserve management tours and in operational tours in the active component.<sup>156</sup>

Active component sailors are also assigned to tours supporting the reserve component and have recently been given an increased role in reserve training as a part of Active-Reserve Integration initiatives. This development—making the provision of full-time support an active component mission—is consistent with the Chief of Naval Operations’ plans to create a more integrated total force.<sup>157</sup> Admiral Willard testified that “it is imperative that the Navy Reserve be fully integrated, both administratively and operationally, within the Active Component.”<sup>158</sup> According to Assistant Secretary William A. Navas, Jr., “Providing a more tightly integrated force creates the opportunity for Reservists to train, deploy, and operate alongside their active counterparts using current doctrine, concepts, tactics, and the Navy’s most modern equipment.”<sup>159</sup> The Commission believes that the success of the Navy’s integration efforts will remove the need for a separate career path designed solely to provide the Navy Reserve with full-time support.

### *Marine Corps FTS*

The Marine Corps maintains a unique full-time support structure that consists of the Active Reserve or “AR” program, established in 1994, as well as an Inspector-Instructor (I&I) program that dates back to 1936. The I&I program assigns active component marines to reserve units; as a result, almost 60 percent of the FTS personnel that the Marine Corps uses to train and prepare reserve units for deployment are active component marines.<sup>160</sup> I&I marines administer, instruct, and assist the commander to achieve operational requirements and maintain combat readiness.<sup>161</sup> Active component marines are located at the unit level—platoon, company, battalion—supporting key billets such as the commander, the first sergeant, and the supply and administration noncommissioned officers. Among the services, the Marine Corps’ full-time support program has the largest proportion of active component personnel, whose presence enhances integration at all levels.<sup>162</sup> The Marine Corps typically has 9 or 10 FTS personnel integrated into the unit at the company level.<sup>163</sup>

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156 Bureau of Naval Personnel, “Reserve Policies and Programs,” in NAVPERS 15560D, *Naval Military Personnel Manual*, August 2006, Article 1001-020, pp. 1–2.

157 GAO, “Force Structure: Assessments of Navy Reserve Manpower Requirements Need to Consider the Most Cost-effective Mix of Active and Reserve Manpower to Meet Mission Needs,” GAO-06-125 (Report to Congressional Committees), October 2005, Highlights (n.p.).

158 Admiral Robert F. Willard, Vice Chief of Naval Operations, prepared witness statement before the CNGR, Hearing on Roles and Missions, March 9, 2006 ([www.cngr.gov/hearing308-9/Willard.doc](http://www.cngr.gov/hearing308-9/Willard.doc)), p. 4.

159 Assistant Secretary Navas, prepared statement, April 12, 2007, p. 12.

160 Lieutenant General Coleman, prepared statement, June 21, 2007, p. 6. See also “Active Reserve—Overview,” Headquarters, U.S. Marine Corps Intelligence Department (<http://hqinet001.hqmc.usmc.mil/dirint/mcrip/default.asp?page=140>).

161 Headquarters Marine Corps, Manpower and Reserve Affairs (HQMC-MRA), brief provided to CNGR staff, September 22, 2005, pp. 17–19. Marine Forces Reserve Force Order 5320.1, “Inspector-Instructor Staff Integration,” April 20, 1998, defines the mission of the I&Is assigned to Marine Force Reserve units: “To serve as the bridge between the regular and reserve components of the total force Marine Corps; to provide daily administrative, logistical, technical, instructional, and operational support to Marine Forces Reserve units; to assist unit commanders in the accomplishment of all command functions, mission essential tasks and Force Commander’s goals; to support commanders in attaining and maintaining operational excellence prescribed by regulations and the state of readiness required for immediate mobilization; and to fight alongside their reserve counterparts when the unit is mobilized” (pp. 2–3).

162 Lieutenant General Coleman, prepared statement, June 21, 2007, p. 6.

163 Halliday, Oaks, and Sollinger, “Breaking the Mold,” p. 2.

All officers assigned to this duty must have completed a recent tour in the operating forces or have attended a military education program appropriate for their grade.<sup>164</sup> Lieutenant colonels assigned as I&Is at the battalion or squadron level are selected by the active duty command screening process to ensure that they are the “best and fully qualified to meet commanding officer requirements in the operating forces and the supporting establishment.”<sup>165</sup> Those in the active component do not view assignment to the Inspector-Instructor program as damaging to their careers in the Marine Corps.<sup>166</sup> This program is coupled with an inspection program (the Mobilization and Operational Readiness Deployment Test, or MORDT) to ensure that Marine Corps Reserve units achieve pre-mobilization readiness goals.<sup>167</sup>

The Marine Corps Active Reserve program was created to replace a system in which reserve component members went on active duty for three to four years at a time to perform full-time support. These long assignments at Marine Corps Headquarters and in administrative positions proved disruptive to their civilian careers, offered little opportunity for skill qualification or career enhancement, and did not attract the best-qualified marines.<sup>168</sup> The AR program suffers from some of the same shortfalls it was intended to address, however. Lieutenant General Bergman informed the Commission that “[s]ome enlisted Active Reserve billets were established simply due to the shortage of compensatory Regular structure and personnel,” at a time when the Marine Corps Reserve was managed separately from the active component. This is not the case today, as the Marine Corps now has total force management systems in place.<sup>169</sup>

The AR program remains relatively small, in comparison to the size of the Marine Corps Reserve and of the I&I program. Yet it still requires separate administration and management. Its small size complicates the management of its members’ military occupational skills, creates imbalances in opportunities for promotion, and leads to inefficient administrative overhead.<sup>170</sup> AR assignment opportunities are severely restricted in comparison to those in the active component Marine Corps. Roughly a quarter of AR personnel (572) are enlisted marines in administration. These administrators hold billets at the unit level. Officers in the AR program are generally assigned to the higher headquarters and staffs that support the Marine Reserves.<sup>171</sup> The Commission believes that the Marine Corps’ advances in total force integration, such as adopting common personnel support systems and readiness standards, obviate the need for a separate AR program.

### *Air Force FTS*

The Air Force retains a large percentage of reserve component members as full-time support, using military technicians and AGRs. In the Air Force Reserve and Air National Guard, technicians provide units with the capability to maintain and fly aircraft. The military air technician provides training to the traditional Reserve and Guard members during their training periods and keeps them proficient in their wartime skills. The Air National Guard requires military technicians to be

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164 HQMC-MRA, brief, September 22, 2005, p. 18.

165 Marine Corps Order 1300.64A, “Command Screening Program,” June 23, 2004, pp. 3–4.

166 Headquarters Marine Corps, Manpower and Reserve Affairs, Policy, information paper, “USMC I&I/AR Construct,” August 8, 2007, p. 3.

167 United States Marine Corps, “Warfighting Concepts, Emerging Capabilities, and Enabling Capabilities,” chapter 2 of *Concepts & Programs* (2005), p. 117; Marine Corps Order 3060R.17B, “Mobilization Operational Readiness Deployment Test (MORDT),” August 15, 2000.

168 OASD-RA, “A Review of the Reserve Components’ Active Guard and Reserve (AGR) Programs,” p. 5.

169 Lieutenant General J. W. Bergman, Commandant, Marine Corps Reserve, letter to Arnold L. Punaro, Chairman, CNGR, November 10, 2007.

170 HQMC-MRA, “Reserve Manpower Management,” pp. 1–3.

171 MFR, CNGR staff interview with Gunnery Sergeant Ruben E. Villarreal, HQMC-MRA, August 17, 2007.



members of the unit that employs them as a civilian. With that same unit, they work full-time, train, and deploy.<sup>172</sup>

The methods of providing full-time support implemented by the Air Force are based on total force integration. In 1999 the Air Force unveiled its Total Force Policy to shape the way the service trains, equips, and employs its active and reserve component members.<sup>173</sup> One of its initiatives expands the concept of the associate unit, a model that has been in use by the Air Force since 1968. These units are composed of two or more components that are operationally integrated but retain separate chains of command. The Air Force's extensive reliance on associate and blended units has integrated the FTS, active component, and traditional reserve workforce into a single organization. Today, reserve and active component personnel serve together in numerous blended and composite Air Force units to maximize efficiencies in such areas as full-time support.<sup>174</sup> When asked by the Commission if the Air Force was intending to change its level of full-time support for the Air National Guard, Lieutenant General Roger A. Brady responded, "We are looking at—we are questioning the full-time manning. I don't know what we're actually going to do about it."<sup>175</sup>

**Finding:** The full-time support programs in the reserve components of the Navy, Marine Corps, and Air Force promote the achievement of total force readiness. The FTS programs in the Army's reserve components do not promote total force integration and uniform operational standards.

**Recommendations:**

35. All reserve component full-time support personnel must be the best-qualified individuals, selected for these billets on the basis of their knowledge, skills, and abilities to fulfill unit full-time support needs, including needs for training and certification for deployment. To support a competitive career path they must be required to serve in periodic tours with the active component, in operational forces, or in total force assignments at joint or service-level headquarters.
36. Congress, with input from the Department of Defense, should adopt a new model to provide full-time support to the Army reserve components as part of an overall program to improve their military effectiveness and to more fully integrate the Army and its components into a total force. This program should have the following elements:
  - a. On an expedited basis, the Army should complete a baseline review—that is, a full manpower review, down to the lowest level—to determine the full-time support requirements for the reserve components as part of an operational force, including those requirements related to DOD's homeland defense and civil support missions.
  - b. DOD should program and budget, and Congress should fully fund by fiscal year 2010, the Army's identified full-time support requirement. The Secretary

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172 "Factsheets: Air National Guard," Air Force Link, July 2006 ([www.af.mil/factsheets/factsheet.asp?fsID=160](http://www.af.mil/factsheets/factsheet.asp?fsID=160)).

173 Department of the Air Force, "The Future Total Force—Raising the Bar for Force Integration," 1999, n.p.

174 Lieutenant General Brady, Deputy Chief of Staff, Manpower and Personnel, U.S. Air Force, prepared witness statement before the CNGR, Hearing on the Impact of Reserve Component Personnel, Compensation Policies, June 21, 2007 ([www.cngr.gov/June%2019-21/Brady%20Statement.pdf](http://www.cngr.gov/June%2019-21/Brady%20Statement.pdf)), p. 2.

175 Lieutenant General Brady, testimony before the CNGR, Hearing on the Impact of Reserve Component Personnel, Compensation Policies, transcript of June 21, 2007, hearing ([www.cngr.gov/June%2019-21/0621cngr-panel3.pdf](http://www.cngr.gov/June%2019-21/0621cngr-panel3.pdf)), p. 43.

of the Army should also seek to generate additional military manpower for this purpose, including through military-to-civilian conversions.

- c. The Army should replace all Army Reserve Active Guard and Reserve (AGR) personnel with active component soldiers with recent operational experience serving rotational tours. The transition should take place gradually, in phases, to ensure that the careers of currently serving AGR Army reservists are protected.
- d. Military full-time support for the Army National Guard should be a mix of active component soldiers and AGR soldiers. Active component soldiers serving in Guard FTS positions should have recent operational experience and serve in rotational assignments of defined duration, under the control of the governor, and be dual-hatted, serving in Title 10 status and in the state's National Guard.

### *Explanation of Recommendation #36*

The Commission is recommending an increase to the numbers of Army full-time support personnel assigned to reserve units. The expansion required to make a meaningful difference may seem unattainably large, given current fiscal constraints and the stress on active Army manpower already acknowledged by recent plans to increase end strength. But because, as the Commission believes, the Army's reliance on reserve component units and individuals will not diminish, the Department of Defense and the Army must also recognize that taking this step is essential to maintaining readiness in the nation's operational forces.

The Commission is aware of the Department's efforts to identify positions, now filled by military personnel, that are intrinsically neither governmental nor military.<sup>176</sup> Though the Department has been reluctant to share the data from its annual inventories with the Commission, we have determined that while the number of military personnel serving in these civilian activities is in the hundreds of thousands, the number of military-to-civilian conversions to reduce that total is only in the tens of thousands.<sup>177</sup>

Although the Department's progress toward minimizing the use of military personnel in civilian activities has been slow, it does have an ambitious plan for future military-to-civilian conversions. The Under Secretary of Defense for Personnel and Readiness, Dr. David S. C. Chu, testified before Congress:

Military-to-civilian conversions are also helping to alleviate stress on the force while increasing our combat potential. In FY 2004 and FY 2005, the Department converted over 20,000 military billets to DoD civilian or private sector performance and currently plans to convert an



Enlisted panel members  
at June 2006 hearing.

<sup>176</sup> Department of Defense Instruction 1100.22, "Guidance for Determining Workforce Mix," September 7, 2006, p. 2; 31 U.S.C. §501.

<sup>177</sup> Exchange between CNGR Chairman Arnold L. Punaro and Dr. David S. C. Chu, Under Secretary of Defense for Personnel and Readiness, CNGR Hearing on Roles and Missions, transcript of March 8, 2006, hearing ([www.cngr.gov/pdf/0308cngr.pdf](http://www.cngr.gov/pdf/0308cngr.pdf)), pp. 135–38. The Commission requested data from DOD (May 8, 2006, p. 1), but did not receive any.

additional 10,000 plus billets in FY 2006 and FY 2007. Further conversions are being identified for FY 2008 through FY 2011, that could raise the number of conversions to over 60,000. Military strength made available from these conversions is being used to ameliorate high demand/low density capabilities, alleviate stressed career fields, and enable initiatives such as Army modularity. . . . In fact, savings from these conversions will result in increased force effectiveness as resultant savings are applied toward force mobilization, recapitalization, and other compelling needs.<sup>178</sup>

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The requirements for full-time support should not be ignored simply because they seem too large or too hard to address.

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Thousands of military personnel are serving in positions that are exempt from civilian conversion because there is a need for them to have military assignments outside the operating forces. These positions offer a respite from rotations overseas and afford the broad experience needed for military careers to progress. The Commission believes that the purposes served by these and other exempt positions could be accomplished by directing active component members to provide FTS to the reserve components. Doing so would benefit the active component soldiers in three ways: they would be given dwell time as they returned from deployments, they would acquire knowledge of the reserves necessary for effective force integration, and they would gain career-enhancing opportunities while performing military rather than civilian functions. At the same time, they would be using their current operational experience to improve the training and readiness of the reserve components, and would be helping to bridge the cultural divide between the active and reserve components.

That the Department of Defense and the Army persist in using military personnel to fill civilian and nongovernmental positions rather than vital full-time support positions in the reserve components is evidence that the first and biggest hurdle toward total force integration is the lack of will to achieve it. The requirements for full-time support should not be ignored simply because they seem too large or too hard to address.

#### Recommendations:

37. The Secretary of the Army should prescribe that all military technicians in the Army's reserve components be assigned to the same organization in both their military and civilian assignments at all times, that they be required to maintain full qualification in both their military and civilian capacities, that they deploy with the organization to which they are assigned, and that such technicians who lose their military qualifications shall be either reassigned to non-deploying civilian positions or separated in accordance with established civilian personnel procedures.
38. The Marine Corps Active Reserve program should be merged into the active component with no loss to the Marine Corps Reserve in total full-time support billets. This merger should be completed in phases to protect the careers of marines currently serving in the Active Reserve.
39. The Navy Reserve's FTS program should be replaced with a program that provides active component full-time support to reserves with no loss in the number of billets that support the reserve component. The transition to active component

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<sup>178</sup> Under Secretary Chu, prepared statement before the House Armed Services Committee, Hearing on the Quadrennial Defense Review, 109th Cong., 2nd sess., April 6, 2006, p. 4.

FTS for the Navy should take place in phases to protect the careers of currently serving FTS Navy reservists.

## D. TRAINING

Congress directed the Commission to “[a]ssess the manner in which the National Guard and the other reserve components are currently organized and funded for training and identify an organizational and funding structure for training that best supports the achievement of training objectives and operational readiness.”<sup>179</sup> The purpose of this training is to maintain proficiency in both unit and individual skills.<sup>180</sup> Training periods for reserve units have been traditionally divided between weekend drills (inactive duty training), two-week yearly training (annual training), and any training carried out prior to deployment (post-mobilization training). It is a statutory requirement that the members of the Ready Reserve participate in an annual minimum of at least 48 drills and 14 days of annual training, exclusive of travel time.<sup>181</sup> Individual training requirements include initial entry training, the learning of military occupational specialties, and attendance at leadership schools. All service members, regardless of component, go through the same initial entry training of “not less than twelve weeks to commence insofar as practicable within one year after the date of enlistment.”<sup>182</sup> Within this framework, the reserve components have the authority to arrange training periods to meet their readiness requirements.

Training readiness depends on a number of variables, including the mission of the unit; its proximity to a training area and facilities; funding for fuel, ammunition, and other training materiel; and maintenance expenses. In order for reservists to use active duty installations, the facilities must be staffed to support training on weekends. In addition, the installation must be able to support the equipment used by the reserve component unit.

In a 2003 report, GAO found that “[o]ver 70,000 reservists could not be mobilized because they had not completed their training requirements[.]”<sup>183</sup> In 2004, the Department of Defense stated as a goal that “all Reserve forces need to be trained and ready prior to starting the mobilization process to deploy.”<sup>184</sup>

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The lower the state of readiness of the unit, the greater the time and resources that must be spent after mobilization to overcome the readiness deficit.

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### *Army Training*

Establishing an operational reserve for the Army requires increased training. Part of the concept of the strategic reserve was the assumption that Army reserve forces would be ready to deploy only at the end of a lengthy mobilization process. Post-mobilization training offers a last opportunity prior to deployment to prepare reserve component units to perform their mission. The lower the state of readiness of the unit, the greater the time and resources that must be spent after mobilization

179 Public Law 108-375, *NDAA for FY 2005*, §513(c)(2)(E).

180 Department of Defense Instruction 1215.06, “Uniform Reserve, Training, and Retirement Categories,” February 7, 2007, p. 13.

181 10 U.S.C. §10147.

182 10 U.S.C. §12103(d).

183 GAO, “Military Personnel: DOD Actions Needed to Improve the Efficiency of Mobilizations for Reserve Forces,” GAO-03-921 (Report to the Subcommittee on Personnel, Committee on Armed Services, U.S. Senate), August 2003, Highlights (n.p).

184 *Rebalancing Forces: Easing the Stress on the Guard and Reserve* ([Washington, DC: Office of the Deputy Assistant Secretary of Defense for Reserve Affairs (Readiness, Training, and Mobilization)], 2004), p. 30.

to overcome the readiness deficit. The Army is instituting a new process, in which training occurs before mobilization: train, mobilize, deploy. Under this model, most individuals and units necessarily will be required to train more than the traditional 39 days per year in order to meet training readiness standards.<sup>185</sup> To support this additional training, additional resources would need to be invested in the years before units and individuals are mobilized.<sup>186</sup>

The Army reserve components will perform the statutory minimum in the first two years back from a deployment. However, in year 3, 45 days are required, and then 53 days in year 4.<sup>187</sup> Assistant Secretary James made clear to the Commission that in the year prior to deployment, National Guard units will be required to train for a minimum of 72 days and Army Reserve units will need to train for a minimum of 77 days.<sup>188</sup> Implementing this new approach will require additional support, as well as changes in the Army's organization and the full realization of programs now under way to modernize training.<sup>189</sup>

The Secretary of the Army, Francis Harvey, testified: "We recognize the need to execute as much training as possible prior to mobilizing a unit. We must ensure that we are using our reserve component's mobilized time defending the Nation, rather than conducting training that could have been accomplished at home station. Central to this effort is a reassessment of the number of training days our reserve component commanders will need to accomplish training at home, rather than after mobilization."<sup>190</sup> The Army now plans for its reserve component units to attain company-level certification prior to mobilization.<sup>191</sup> Under the previous strategic framework, Army National Guard units have been able to attain platoon-level proficiency.<sup>192</sup>

Even as the Army is planning a permanent increase in training requirements, there are indications that the Army Reserve is finding it difficult to attain the level of training readiness currently required. Lieutenant General Stultz told the Commission, "While more than 157,000 Army Reserve Soldiers have courageously fulfilled their obligations and duties to their country since September 11th 2001 and over 22,000 of them have deployed more than once. There are, however, thousands of Army Reserve Soldiers that fail to show up for training or do not participate satisfactorily in required duties."<sup>193</sup>

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185 General Charles Campbell, "Transition the Reserve Component to an Operational Force," AUSA Contemporary Military Forum Presentation, October 10, 2007, p. 19.

186 U.S. Army Forces Command brief to Commission, June 27, 2007, p. 17; Lieutenant General Lovelace, prepared statement, April 12, 2007, pp. 2–7.

187 General Campbell, "Transition the Reserve Component to an Operational Force," p. 19.

188 Ronald J. James, Assistant Secretary of the Army (Manpower and Reserve Affairs), letter to Arnold L. Punaro, Chairman, CNGR, June 21, 2007, pp. 1, 2.

189 MFR, CNGR staff visit to First Army, June 25, 2007, and to U.S. Army Forces Command (FORSCOM), Fort McPherson, GA, June 25, 2007.

190 Secretary Harvey, prepared statement, January 31, 2007, p. 3.

191 *Army Posture Statement* (2007), Addendum E: Data required by NDAA 1994, p. E-4.

192 *Army Posture Statement* (2006), Addendum A: Data required by NDAA 1994, p. 17; Title XI, in Public Law 102-484, NDAA for FY 1993, §1119.

193 Lieutenant General Jack Stultz, Chief of the Army Reserve, prepared witness statement before the CNGR, July 19, 2006, Hearing on National Guard and Reserve Issues ([www.cngr.gov/July%2019/Stultz%20Testimony.doc](http://www.cngr.gov/July%2019/Stultz%20Testimony.doc)), pp. 7–8.



Although ensuring that units are ready prior to mobilization is the centerpiece of the Army's force generation model,<sup>194</sup> General Charles Campbell, U.S. Army Forces Command Commanding General, pointed to problems being experienced by both large and small units attempting to achieve this goal while also executing the Secretary of Defense's 12-month deployment policy (discussed later in this chapter). Because large, complex units such as aviation brigades, Stryker brigades, and brigade combat teams (BCTs) need more training, they have less time for boots on the ground. These large complex units must rotate through the deployment cycle more quickly, and not as cost-effectively. FORSCOM representatives suggested that a one-year-deployed-out-of-six cycle also is not enough time for training and utilizing high-demand/low-density assets, which will need to be deployed more frequently and for a longer duration.<sup>195</sup> General Campbell proposed that mobilization authorities be made sufficiently flexible to allow the service Secretary to support the policy goals and not impose constraints that will prevent the force from meeting those goals.<sup>196</sup>

The Defense Science Board reported, "It is unclear how much training can be conducted in the pre-mobilization period, but estimates are 70–80 days in the year prior to mobilization." Given this training requirement, the board recommended "a new mobilization training model" that would facilitate the extra pre-mobilization training that exceeds current minimum standards.<sup>197</sup> The reality is that as civilians, reserve components members have less opportunity to train than do their counterparts in the active component. As Colonel David L. Blain, Chief of Staff of the Army National Training Center at Fort Irwin, explained to the Commission, "Prior to mobilization, an RC unit is limited in its ability to train to tactical proficiency by the number of its annual training days. AC units have much more training time and are generally at a higher level of individual and unit proficiency when notified for deployment."<sup>198</sup>

**Finding:** The Army has undertaken efforts to provide predictable training requirements, but it does not have viable plans to train a reserve force that will be used rotationally.

Time is not the only factor constraining Army training readiness. In 2006, a GAO representative testified that "[t]he Army National Guard and the Army Reserve currently have shortages in the equipment they need to train[.]"<sup>199</sup> The Army has not programmed or budgeted for these requirements, which include the extra training pay and personnel that will be needed in the year prior to mobilization. The

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194 ARFORGEN has one-year deployments and a 1:5 rotation plan. The Army Reserve's 2007 Posture Statement reads: "To meet the demands of an operational and expeditionary force, Army Reserve units must be trained and ready prior to mobilization as cohesive units. The Army Reserve is transitioning to a train-alert-deploy training model. That training model represents an essential element of the ARFORGEN process; implementing ARFORGEN requires a fundamental change to the Army's strategy of how to prioritize limited resources. Historically, Army Reserve units trained during two-day monthly battle assemblies and a 14-day annual training event. In support of ARFORGEN, the Army Reserve's five-year training cycle calls for an increase in unit annual training requirements in the third and fourth years. Those additional training requirements will allow units approaching their mobilization phase to conduct pre-mobilization training and participate in collective training events such as national training center exercises" (United States Army Reserve, "2007 Posture Statement: Army Reserve: An Operational Force," 2007, p. 17).

195 MFR, Commission visit to FORSCOM, June 27, 2007, p. 3.

196 MFR, Commission visit to FORSCOM, June 27, 2007, p. 2.

197 "Defense Science Board Task Force on Deployment of Members of the National Guard and Reserve in the Global War on Terrorism" (Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics), September 2007, Executive Summary, pp. viii, 27.

198 Colonel Blain, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, September 20, 2006 (available at [www.cngr.gov/public-hearings-events-September06.asp](http://www.cngr.gov/public-hearings-events-September06.asp)), p. 7.

199 St. Laurent, prepared statement, September 21, 2006, p. 6.

Army estimates that to move training to pre-mobilization—providing additional training time, skill qualification, and trainers—will cost \$2.5 billion more than the amount already budgeted.<sup>200</sup>

**Finding:** The Army has not budgeted for the extra training time that will be required in the years prior to mobilization—more time than the traditional reserve model of “one weekend a month, two weeks a year.”

### *Navy Training*

In August 2003, the Chief of Naval Operations directed a review of Navy Reserve capabilities to create a more integrated total force in which Navy Reserve capabilities are tied directly to active units in support of Navy requirements. Among the recommendations of the review was that “the active force [would] assume responsibility for the training and readiness of the reserves.”<sup>201</sup> As a result, the Navy has embarked on a course to unite the training of its active and reserve forces whenever possible.

In 2005 the Navy announced the merger of the Deputy Chief of Naval Operations (Manpower and Personnel) and the Director of Naval Education and Training. The Navy’s long-term vision is to merge all manpower, personnel, and training and education (MPT&E) functions, with the aim of “integrating education and training across the Navy; better preparing and positioning the Navy to support Joint missions, and further integrating our active and reserve military force.”<sup>202</sup> Rear Admiral Timothy M. Giardina testified before Congress that “Navy units and individual augmentees deploy combat ready—properly trained and properly equipped.”<sup>203</sup>

### *Marine Corps Training*

The Marine Corps maintains identical training standards for both active and reserve units. Marine reservists “attend the same schools as active members, participate in the same exercises, and are held to the same standards as active duty marines.”<sup>204</sup> It achieves this standard by making a very large investment of active duty personnel to provide full-time support to the reserves (as described above) and by undertaking periodic readiness and required training evaluations, notably the Mobilization and Operational Readiness Test (MORDT) and Marine Corps Combat Readiness Evaluation System (MCCRES).<sup>205</sup>

After being alerted, Marine Corps Reserve units spend approximately 3 months in pre-deployment training.<sup>206</sup> In testimony before the Commission, a Marine Corps battalion commander suggested that the Marine Corps could better focus such post-mobilization training on mission requirements. To gain this improvement, “[t]he force to deploy should be set, both from a manning and equipment standpoint, at mobilization date minus 90–120 days.” He also urged that the Marine Corps be

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200 Lieutenant General Speakes, briefing to CNGR staff, December 12, 2007.

201 GAO, “Force Structure: Assessments of Navy Reserve Manpower Requirements,” p. 14.

202 Rear Admiral Masso, prepared statement, June 21, 2007, p. 15.

203 Rear Admiral Timothy M. Giardina, Chief of Naval Operations, Director, Information, Plans and Security Division, prepared statement before the House Armed Services Subcommittee on Readiness, Hearing on Training and Equipping of Sailors in Combat and Combat Support Roles, 110th Cong., 1st sess., July 31, 2007, p. 6.

204 Mark F. Cancian and Paul V. Kane, “Marine Corps Reserve Forces in Operation Iraqi Freedom,” *Marine Corps Gazette* 88, no. 7 (July 2004): 50–57.

205 Marine Corps Order 3060R.17B, “Mobilization Operational Readiness Deployment Test (MORDT),” p. 3; Marine Corps Order 3500.5, “Marine Corps Combat Readiness Evaluation System (MCCRES), March 1, 1996, p. 1.

206 Major General Cornell Wilson, Director Reserve Affairs, USMC, briefing to the CNGR, June 14, 2006, p. 14.

more flexible in the scheduling of its training days, grouping drill periods together to provide more extensive opportunities for training.<sup>207</sup>

### *Air Force Training*

The Air Force applies the same total force concept to training as to meeting other readiness requirements.<sup>208</sup> However, the Air Force Reserve has reported funding shortfalls for its schools and special training.<sup>209</sup> According to Chief Master Sergeant Jackson A. Winsett, “The ripple effect is that more of the force is in training and fewer members are available at any one time to provide operational support. Additionally, aggregate costs of training have risen steadily as has the training backlog.”<sup>210</sup>

Training for the Air National Guard has been significantly affected by recent decisions of the Defense Base Closure and Realignment (BRAC) Commission, which have necessitated that several Air Guard units be reassigned missions. GAO found that while the Air Guard is making progress in implementing the changes required, it lacks a strategy to address the attendant challenges. These include developing manning documents that provide the specific skill mixes required for units and ensuring that Air Force schools have sufficient space to accommodate the required personnel training. For instance, the Air Guard projects the need to train 3,000 airmen for intelligence missions, but current school capacity can handle only a fraction of that number. While the Air Guard has worked with the Air Force to develop potential solutions to these problems, they “have yet to be fully implemented.”<sup>211</sup>

### *Coast Guard Training*

As the Coast Guard Reserve is fully integrated with the active component, all coast guardsmen train together and have the same training readiness standard. Rear Admiral John C. Acton testified that of Coast Guard Reservists, “The majority—69 percent—are directly assigned to active Coast Guard shore units, where they hone mobilization skills through classroom instruction and on-the-job training with their active-duty counterparts.”<sup>212</sup> The Coast Guard has reported to the Commission that recent growth in its reserve has stressed its ability to meet training needs.<sup>213</sup>

### **Recommendations:**

40. **The Secretary of Defense should ensure that training institutions and facilities are resourced to meet the needs of the total force. In particular, institutions should be able to meet the current training needs of reserve component personnel, whether the courses they offer are resident, nonresident, or distance learning tailored to the reserve components. The service Secretaries should ensure that the school training system provides sufficient access to seats for members in its active and**

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207 Lieutenant Colonel Mark A. Smith, USMCR, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, September 21, 2006 (available at [www.cngr.gov/public-hearings-events-September06.asp](http://www.cngr.gov/public-hearings-events-September06.asp)), pp. 12–15.

208 Deputy Assistant Secretary Truesdell, prepared statement, April 12, 2007, p. 3.

209 Chief Master Sergeant Winsett, prepared statement, June 15, 2006, p. 12.

210 Chief Master Sergeant Winsett, prepared statement, June 15, 2006, p. 13.

211 GAO, “Military Base Closures: Management Strategy Needed to Mitigate Challenges and Improve Communication to Help Ensure Timely Implementation of Air Guard Recommendations,” GAO-07-641 (Report to Congressional Committees), May 2007, Highlights (n.p.).

212 Rear Admiral Acton, U.S. Coast Guard, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, July 19, 2006 ([www.cngr.gov/July%2019/Acton%20Testimony.doc](http://www.cngr.gov/July%2019/Acton%20Testimony.doc)), pp. 2–3.

213 MFR, briefing to Commission by Coast Guard Reserve, September 19, 2006.

reserve components to meet total force training requirements, and should further integrate the system as necessary to achieve that goal.

- a. Each service should reassess the number of training and administrative days that reserve component units and members will need prior to activation. The services should fund and implement policies to undertake more pre-mobilization training and to focus training on mission requirements.
  - b. The services should disclose fully to all prospective members of units the expected number of training days required annually to participate successfully in that unit. Annual training requirements beyond the traditional 39 days per year should be based on unit needs and accomplished by clear mutual agreement with the individual service member regarding his or her minimum obligation.
  - c. Training equipment must be sufficient to give service members regular access to modern warfighting equipment so that they can train, and can develop and maintain proficiency, on the same type of equipment with which they will be deployed and fight.
41. To effectively implement a “train, mobilize, deploy” model, the Secretary of the Army should direct that pre-deployment training is programmed for and that reserve component units are certified ready to the company level. This certified training should ensure that units arrive at mobilization stations without the need to be recertified and are ready to perform theater-specific training.

## E. EQUIPMENT AND SUPPLIES

Congress directed the Commission to “[a]ssess the adequacy of the funding provided for the National Guard and the other reserve components for several previous fiscal years, including the funding provided for National Guard and reserve component equipment.”<sup>214</sup> In order to make this assessment it is necessary to understand how the services measure equipment readiness. The equipment readiness of a unit is measured by equipment on hand measured against the unit’s wartime requirements and the condition or serviceability of the equipment, whether an item is fully mission capable, partially mission capable, or inoperable and awaiting maintenance, and if in the last category, how long it would take to repair.<sup>215</sup> With few exceptions, the Commission’s analysis of data and testimony indicates that units and individuals from all components are well-equipped and supplied when they deploy overseas. However, many units not scheduled for deployment have a much lower level of equipment and supply readiness. They therefore have less capacity to train for their missions and less equipment on hand to respond to a domestic emergency. The Commission believes all reserve components should have an equipping and maintenance strategy that addresses current operational requirements and provides for training, domestic emergencies, and the capacity to deter and defeat new strategic threats.

Equipment levels have risen and fallen in response to operational requirements, the use of the reserve components, the funding available to each service, and the way in which each service allocates its resources. Michael Dominguez, Principal Deputy Secretary of Defense for Personnel and Readiness,

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“ . . . as the Reserve components transition to an operational force, our strategy to equip them must also change.”

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<sup>214</sup> Public Law 108-375, *NDAA for FY 2005*, §513 (as amended by Public Law 109-163, *NDAA for FY 2006*, §516).

<sup>215</sup> CJCSI 3401.01D, “Chairman’s Readiness System.”

testified before the Commission that “[a]s the Reserve components transition to an operational force, our strategy to equip them must also change. Modernization, equipment replacement due to the war, as well as homeland defense missions are the catalyst for a new approach in equipping the Reserve components, in particular, the ground forces of the Army and Marine Corps.”<sup>216</sup> As Table IV.3 shows, the reserves of all services (except the Coast Guard) have major equipment systems that are more than 30 years old. This “new approach” is to “properly equip” the reserve components “not only when deploying but also to train while at home station.” Deputy Secretary Dominguez declared, “The ultimate goal is to fully equip units.”<sup>217</sup>

**Table IV.3. Number of Major Reserve Component Equipment Systems over 30 Years Old**

ARNG	USAR	USMCR	USNR	ANG	AFR	USCGR
20	28	6	4	9	8	0

*Source:* Office of the Assistant Secretary for Reserve Affairs, *National Guard and Reserve Equipment Report for Fiscal Year 2008*, February 2007, §§ARNG 2-1, USAR 2-1, USMCR 2-1, USNR 2-1, ANG 2-1, AFR 2-1, USCGR 2-1.

Note: The table provides the average age of selected major items such as aircraft, vehicles, and weapons; it is not all-inclusive.

The aggregate equipment shortage for all the reserve components is approximately \$48 billion. Table IV.4 shows the dollar value of total major equipment requirements and inventories at the beginning of fiscal year 2007 for each reserve component.

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216 Deputy Secretary Dominguez, prepared witness statement before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, June 20, 2007 ([www.cngr.gov/June%2019-21/Dominguez%20Statement.pdf](http://www.cngr.gov/June%2019-21/Dominguez%20Statement.pdf)), p. 37.

217 Deputy Secretary Dominguez, prepared statement, June 20, 2007, pp. 37, 38.



Table IV.4. Reserve Component Equipment Shortages (start of FY 2007)

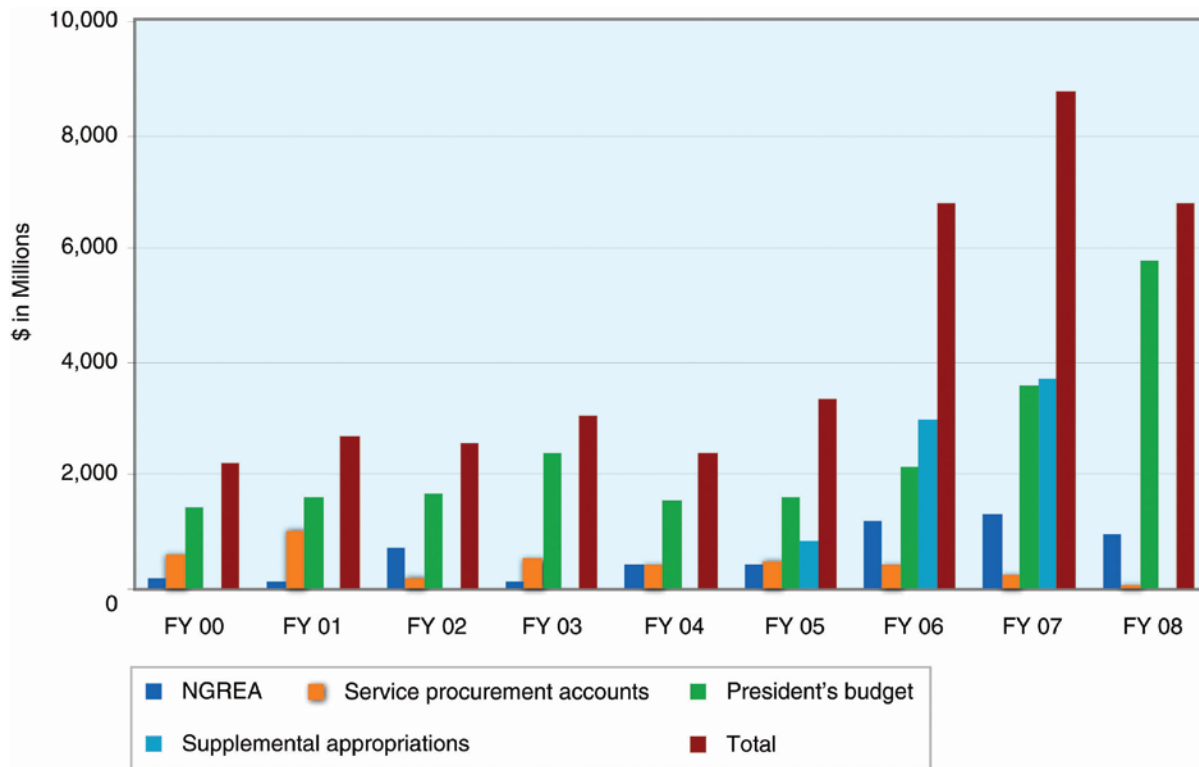
Reserve Component	Millions of Dollars			Shortage (% of required \$)
	Requirements	On Hand	Shortage	
ARNG	88,000.0	49,700.0	38,300.0	43.5
USAR	21,800.0	14,500.0	7,300.0	33.0
USMCR	5,647.6	5,488.3	159.3	2.8
USNR	12,064.0	11,496.8	567.3	4.7
ANG	36,682.7	36,491.7	191.0	0.5
AFR	27,102.0	26,024.5	1,077.5	4.0
USCGR	33.1	31.0	2.1	6.3
<b>TOTAL</b>	<b>\$191,329.5</b>	<b>\$143,732.3</b>	<b>\$47,597.2</b>	<b>24.9%</b>

Source: OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 1-3.

Equipment funding for the reserve components comes from multiple accounts—some of which specify that the equipment is for the reserve components, while others do not. Since 1981, Congress has regularly added funds (commonly referred to as “NGREA funding”) to the National Guard and Reserve Equipment Appropriation.<sup>218</sup> While this approach enables the reserve component Chiefs to finance their high-priority equipment requirements not otherwise funded, it does not encourage the services to fully integrate procurement priorities for all their components. Figure IV.1 identifies reserve component funding by account, including NGREA, service procurement accounts (P-1), the President’s budget, and supplemental appropriations.

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218 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 5-31.



Sources: OASD-RA, *National Guard and Reserve Equipment Report for Fiscal Year 2007*, February 2006, p. 1-5, chart 3; *National Guard and Reserve Equipment Report, 2008*, p. 1-4, chart 1-3.

**Figure IV.1. Reserve Component Equipment Funding and Sources, FY 2000–FY 2008**

Regardless of the amount of funding provided for reserve equipment, it is extremely difficult to track such equipment from its appearance in budget documents to its delivery. To improve its oversight of equipment for the National Guard, in the National Defense Authorization Act for Fiscal Year 2008 Congress directed that the Chief of the National Guard Bureau provide an inventory each year of items of equipment for which funds were appropriated for the National Guard, but which were not received by a National Guard unit.<sup>219</sup>

Procurement funding is consolidated for all components in each service in a document referred to as the P-1.<sup>220</sup> A “non-binding” supplemental document, the P-1R, lists the equipment (and associated funding) that is identified in the P-1 as intended for distribution to the reserve components.<sup>221</sup> However, there is no mechanism to ensure that the items specified in the P-1R are

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Regardless of the amount of funding provided for reserve equipment, it is extremely difficult to track such equipment from its appearance in budget documents to its delivery.

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219 House Report 110-477, Conference Report to accompany H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, 110th Cong., 1st sess., December 6, 2007, §1826.

220 Office of the Under Secretary of Defense (Comptroller), “Defense Budget Materials: FY 2008,” Procurement Programs (P-1), February 2007, available at [www.defenselink.mil/comptroller/defbudget/fy2008/index.html](http://www.defenselink.mil/comptroller/defbudget/fy2008/index.html).

221 OASD-RA, *National Guard and Reserve Equipment Report, 2008*, p. 1-1.

not subsequently diverted to active component units.<sup>222</sup> DOD officials responsible for performing this function can provide only estimates, not accurate assessments of progress in efforts to eliminate shortfalls in reserve component equipment levels.<sup>223</sup> A better method—one that improves accountability for equipment destined for National Guard and Reserve forces while retaining the synergy and efficiency of the existing process—is to assign a separate program element code to each of the components. The key feature of program elements in budget documents is that any reprogramming in excess of a certain amount requires congressional approval from the four defense oversight committees.<sup>224</sup>

Actual equipment funding has risen substantially since 2000. According to data from the most recent issues of the *National Guard and Reserve Equipment Report*, the total amount of reserve component equipment from all sources of funding has increased from \$2.2 billion in FY 2000 to \$7.7 billion in FY 2007. The amount sought in the President's FY 2008 budget request is \$5.3 billion for all reserve components. This figure compares to \$3.6 billion in FY 2007 and \$1.5 billion in FY 2000.<sup>225</sup> Assistant Secretary Hall declared of equipment requirements for the reserve components, "We need to make sure that money that's programmed stays in the budget and is executed and addresses the long-term problem of underfunding the equipment area."<sup>226</sup> Table IV.5 breaks down the various sources of reserve component equipment funding since FY 2000 for six of the reserve components.

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222 "The Procurement Programs—Reserve Components (P-1R) exhibit is a subset of the Procurement Programs exhibit. It reflects the Services Actuals/Estimates for those funds which will be used to procurement equipment for the National Guard and Reserve Components for FY 2006–FY 2013" (OUSD (Comptroller), "Defense Budget Materials: FY 2008," Procurement Programs (P-1), February 2007).

223 Patricia J. Walker, Deputy Assistant Secretary of Defense for Reserve Affairs/Materiel and Facilities, briefing to Commission, September 20, 2007, p. 7.

224 MFR, Commission meeting with Joe Fengler, House Armed Services Committee budget expert, August 15, 2006, p. 2.

225 OASD-RA, *National Guard and Reserve Equipment Report for Fiscal Year 2007*, February 2006, p. 1-5, chart 3; *National Guard and Reserve Equipment Report*, 2008, p. 1-4, chart 1-3.

226 The Honorable Thomas F. Hall, Assistant Secretary of Defense for Reserve Affairs, testimony before the CNGR, Hearing on Reserve Component Policy Reform, transcript of April 12, 2007, (afternoon) hearing ([www.cngr.gov/hearing411-12/0416cngr3.pdf](http://www.cngr.gov/hearing411-12/0416cngr3.pdf)), p. 6.

Table IV.5. Reserve Component Equipment Funding and Sources, FY 2000–FY 2008

FY	Procurement Funding Source	RC Procurement Funding (\$ in Millions)						
		ARNG	AR	USMCR	USNR	ANG	AFR	Total
2000	President's Budget P-1R Submit	661.1	176.0	56.9	77.4	334.1	149.3	1454.9
	Congressional Adds to AC Accts for RC	267.1	12.0	2.8	35.6	270.8	17.6	605.9
	NGREA	29.8	29.8	19.9	19.9	29.8	19.9	149.2
	<b>Total</b>	<b>958.1</b>	<b>217.8</b>	<b>79.6</b>	<b>132.9</b>	<b>634.8</b>	<b>186.8</b>	<b>\$2,210.0</b>
2001	President's Budget P-1R Submit	884.4	174.3	43.7	34.7	326.8	127.6	1591.6
	Congressional Adds to AC Accts for RC	287.7	115.3	0.0	105.8	505.7	0.0	1014.5
	NGREA	49.5	5.0	5.0	5.0	29.7	5.0	99.1
	<b>Total</b>	<b>1221.7</b>	<b>294.6</b>	<b>48.6</b>	<b>145.5</b>	<b>862.2</b>	<b>132.6</b>	<b>\$2,705.1</b>
2002	President's Budget P-1R Submit	925.6	181.5	40.4	24.1	377.9	108.7	1,658.3
	Congressional Adds to AC Accts for RC	151.1	3.5	0.0	4.5	33.4	2.0	194.5
	NGREA	217.3	101.5	4.9	9.9	280.4	75.2	689.3
	<b>Total</b>	<b>1,294.0</b>	<b>286.6</b>	<b>45.4</b>	<b>38.5</b>	<b>691.7</b>	<b>186.0</b>	<b>\$2,542.1</b>
2003	President's Budget P-1R Submit	1,046.3	568.0	253.7	39.5	341.7	118.6	2,367.8
	Congressional Adds to AC Accts for RC	193.7	65.4	0.0	86.3	217.4	2.5	565.3
	NGREA	29.4	9.8	9.8	9.8	29.4	9.8	98.0
	<b>Total</b>	<b>1,269.4</b>	<b>643.2</b>	<b>263.5</b>	<b>135.6</b>	<b>588.5</b>	<b>130.9</b>	<b>\$3,031.1</b>
2004	President's Budget P-1R Submit	501.2	244.3	66.8	129.7	453.5	169.8	1,565.3
	Congressional Adds to AC Accts for RC	290.8	6.7	0.0	63.4	45.4	0.0	406.3
	NGREA	99.3	44.7	44.7	44.7	119.1	44.7	397.0
	<b>Total</b>	<b>891.3</b>	<b>295.7</b>	<b>111.5</b>	<b>237.8</b>	<b>618.0</b>	<b>214.5</b>	<b>\$2,368.6</b>

Table IV.5. Reserve Component Equipment Funding and Sources, FY 2000–FY 2008 (cont.)

FY	Procurement Funding Source	RC Procurement Funding (\$ in Millions)						
		ARNG	AR	USMCR	USNR	ANG	AFR	Total
2005	President's Budget P-1R Submit	586.8	302.5	55.6	127.3	425.8	134.7	1,632.7
	Congressional Adds to AC Accts for RC	194.1	126.2	0.0	60.1	86.4	11.0	477.8
	Supplemental	787.0	0.0	0.0	0.0	38.4	0.0	825.4
	NGREA	110.6	51.8	49.8	43.8	98.6	43.8	398.4
	<b>Total</b>	<b>1,678.4</b>	<b>480.5</b>	<b>105.4</b>	<b>231.2</b>	<b>649.2</b>	<b>189.5</b>	<b>\$3,334.3</b>
2006	President's Budget P-1R Submit	1,144.7	37.7	252.0	101.5	427.7	164.5	2,128.1
	Congressional Adds to AC Accts for RC	59.3	97.5	0.0	1.5	257.8	26.1	442.1
	Supplemental	2,143.4	756.0	0.0	0.0	10.0		2,909.4
	NGREA	764.4	129.6	29.6	29.6	229.6	29.6	1,212.4
	<b>Total</b>	<b>4,111.8</b>	<b>1,020.8</b>	<b>281.6</b>	<b>132.6</b>	<b>925.0</b>	<b>220.2</b>	<b>\$6,691.9</b>
2007	President's Budget P-1R Submit	2,115.6	391.6	120.4	60.0	628.9	234.1	3,550.6
	Congressional Adds to AC Accts for RC	2,414.9	1,251.3	0.0	1.0	228.6	2.0	3,897.8
	NGREA	74.7	34.9	34.9	34.9	74.7	34.9	288.8
	<b>Total</b>	<b>4,605.2</b>	<b>1,677.8</b>	<b>155.3</b>	<b>95.9</b>	<b>932.2</b>	<b>271.0</b>	<b>\$7,737.2</b>
2008	President's Budget P-1R Submit	3,496.2	690.3	99.9	51.7	633.9	316.7	5,288.7
	Congressional Adds to AC Accts for RC							
	NGREA							
	<b>Total</b>							<b>\$5,288.7</b>

Sources: OASD-RA, *National Guard and Reserve Equipment Report*, 2007, p. 1-5, chart 3; *National Guard and Reserve Equipment Report*, 2008, p. 1-4, chart 1-3.

### *Critical Dual-Use Equipment*

National Guard equipment is used to accomplish civil support and homeland security missions. In 2005 the Army National Guard established a list of more than 300 critical dual-use (CDU) items that are used for both warfighting and civil support missions; they include trucks, generators, radios,



medical gear, and engineering equipment.<sup>227</sup> After Hurricane Katrina, the Army began considering CDU items among the numerous competing priorities in its overall budget plans.<sup>228</sup> Lieutenant General Lovelace testified, “Although the Army does not procure equipment specifically for Homeland Defense and Defense Support to Civil Authorities missions, it does recognize that the highest priority for National Guard units is critical ‘dual use’ equipment and works to field them this equipment first.”<sup>229</sup> As of October 2007, the Army National Guard reported that it had on average 56 percent of its CDU items in each state’s inventory (see Figure IV.2).<sup>230</sup>

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“When they were deployed, their equipment went with them. When they came back, the equipment didn’t come back with them.”

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The Air National Guard does not identify specific CDU items; rather, all Air Force equipment is deemed critical and is available for all missions. The Air Force is heavily engaged in homeland defense missions, having flown more than 46,000 sorties during Operation Noble Eagle at a cost of approximately \$500 million a year.<sup>231</sup>

Several governors testified before the Commission about National Guard equipment shortages (see Figures IV.2 and IV.3). Delaware’s Governor Ruth Ann Minner described the worsening equipment situation in her state: “When they were deployed, their equipment went with them. When they came back, the equipment didn’t come back with them. And therefore, in every one of the deployments and every one of the different units, we have now less equipment than we did.”<sup>232</sup> Governor George Pataki of New York testified, “The Guard is perfectly suited to the Homeland Security mission and should be resourced accordingly. We must address critical equipment shortages for wartime and homeland security missions, as well as identify specific homeland security equipment needs. Additionally, the Guard must be given the budgetary power to research, validate and procure equipment essential to meet future mission requirements.”<sup>233</sup>

In 2006, all 50 governors signed a letter to President Bush urging him to immediately re-equip Guard units returning from overseas deployments.<sup>234</sup> For the 2006 and 2007 hurricane seasons, the Army and National Guard Bureau collaborated with the states to meet their anticipated equipment

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227 GAO, “Actions Needed to Identify National Guard Domestic Equipment Requirements and Readiness,” GAO-07-60 (Report to the Ranking Minority Member, Committee on Oversight and Government Reform, and Ranking Minority Member, Subcommittee on National Security and International Relations, House of Representatives), January 2007, p. 25.

228 The Honorable Francis J. Harvey, Secretary of the Army, testimony before the CNGR, Hearing on Proposed Changes to the National Guard, transcript of January 31, 2007, (second morning) hearing ([www.cngr.gov/hearing13107/0131cngr-2.pdf](http://www.cngr.gov/hearing13107/0131cngr-2.pdf)), pp. 9, 30–31.

229 Lieutenant General Lovelace, prepared statement, April 12, 2007, p. 4.

230 Office of the Chief, National Guard Bureau, Equipment Maps, as of October 2007.

231 Major General Frank R. Faykes, USAF, Deputy Assistant Secretary (Budget), testimony before the CNGR, Hearing on Resourcing and Readiness, Employer and Family Support, transcript of May 16, 2007, (second morning) hearing, pp. 24, 21.

232 The Honorable Ruth Ann Minner, Governor of Delaware, testimony before the CNGR, Hearing on National Guard and Reserve Issues, transcript of June 15, 2006, hearing ([www.cngr.gov/hearing615/transcript2.pdf](http://www.cngr.gov/hearing615/transcript2.pdf)), p. 11.

233 The Honorable George E. Pataki, Governor of New York, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, June 15, 2006 ([www.cngr.gov/hearing615/Pataki-CNGR%20testimony%20final.pdf](http://www.cngr.gov/hearing615/Pataki-CNGR%20testimony%20final.pdf)), p. 6.

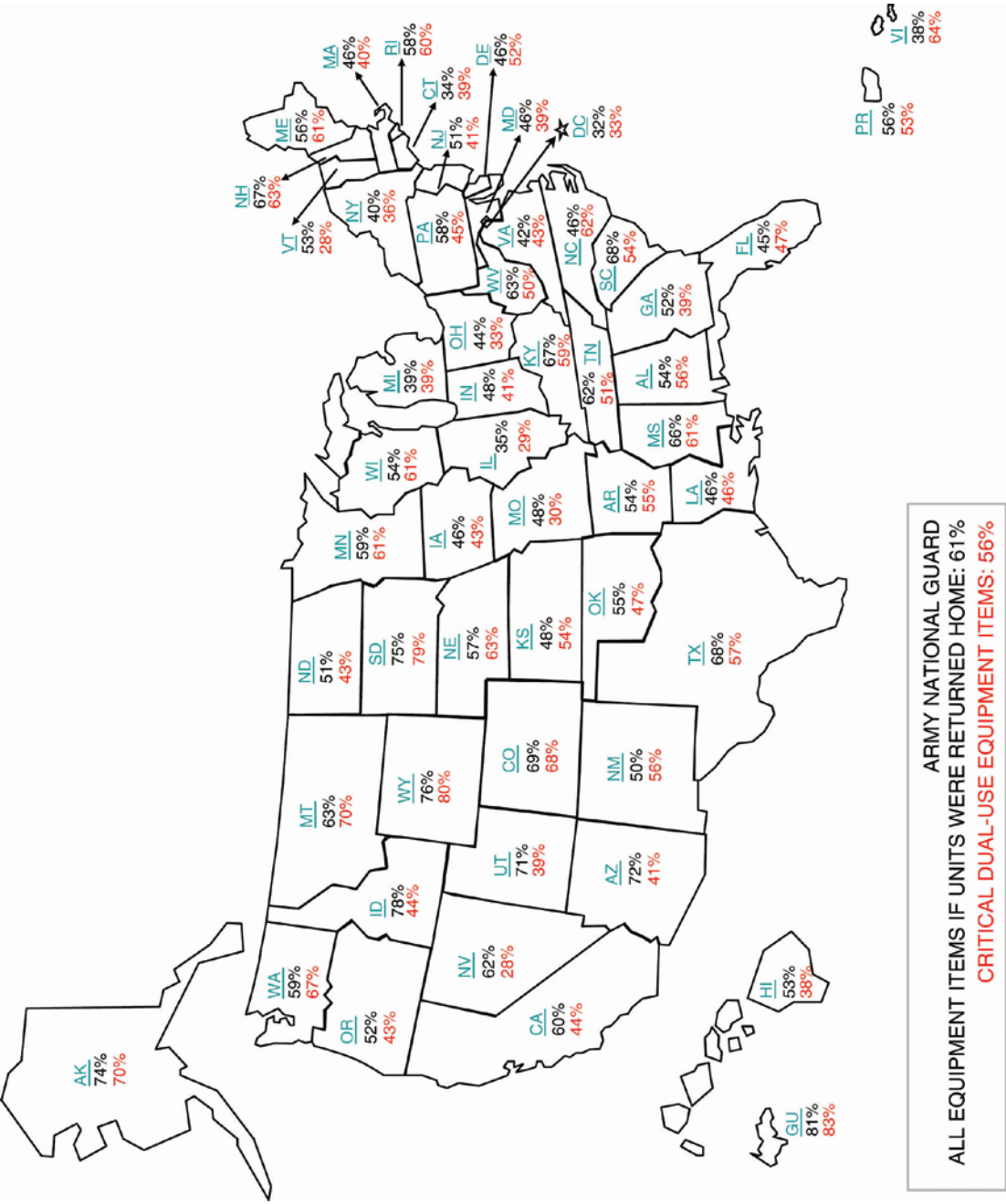
234 The National Governors Association, letter to President George W. Bush, February 3, 2006.

needs by transferring or loaning equipment or by identifying Army Reserve units with the capability to respond.<sup>235</sup>

**Finding:** The National Guard has a shortage of critical dual-use (CDU) items needed for both warfighting and domestic emergency response.

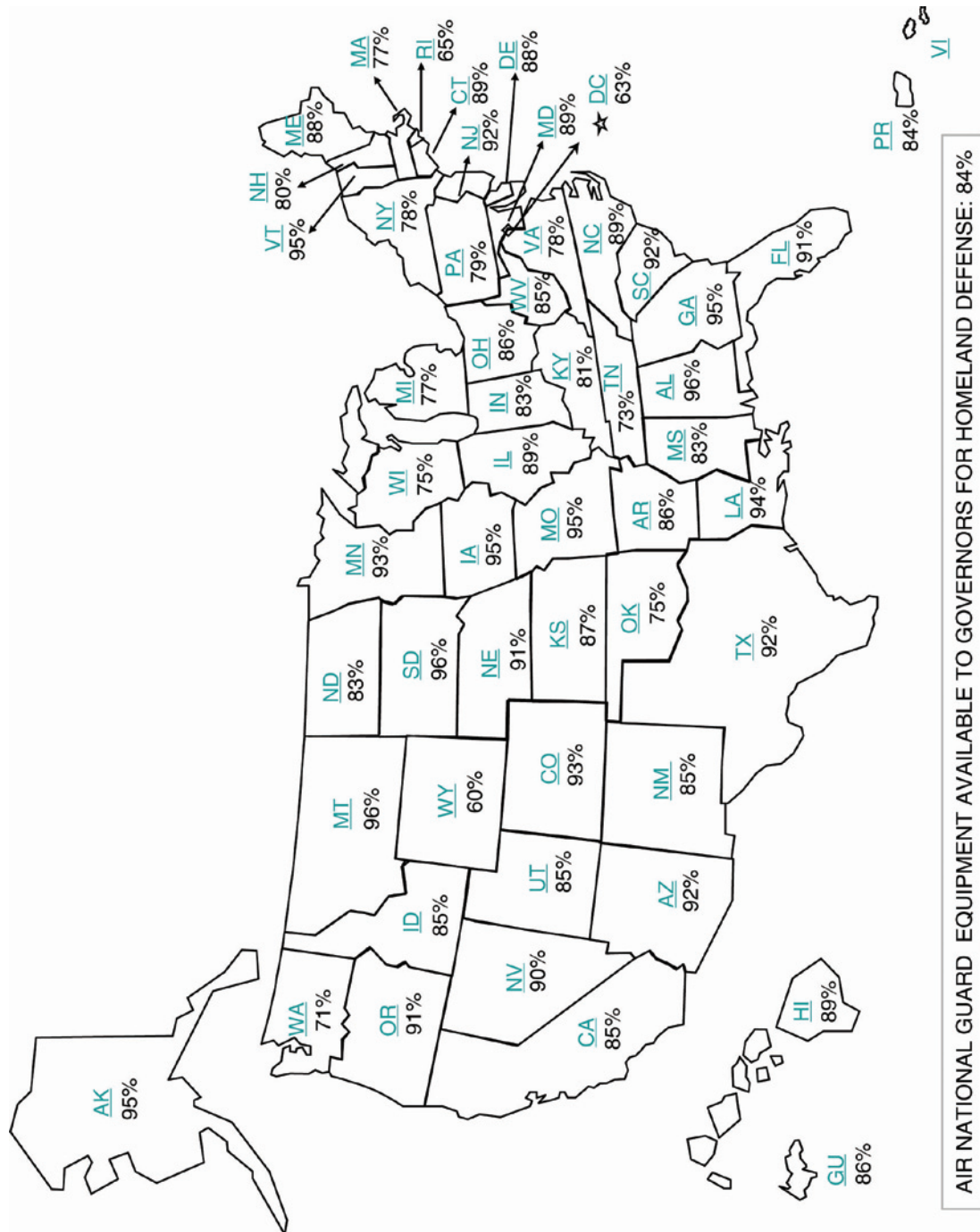
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<sup>235</sup> Lieutenant General Speakes, briefing to Commission, May 15, 2007, pp. 22–23; briefing to CNGR staff, December 12, 2007, pp. 18, 24.



Source: Office of the Chief, National Guard Bureau, Equipment Maps, as of October 2007.

Figure IV.2. State Equipment Levels, Army National Guard



*Source:* Office of the Chief, National Guard Bureau, Equipment Maps, as of October 2007.

### Figure IV.3. State Equipment Levels, Air National Guard

*Army Equipment*

The Army's equipment requirements for current operations have proven greater than DOD planned for in its 2006 Quadrennial Defense Review.<sup>236</sup> To maintain operations in support of the global war on terror, the Army has drawn on the limited number of modern systems formerly in its reserve component inventory, thereby ensuring that all deploying units would have the equipment they require.<sup>237</sup> Under Secretary Chu testified that "[t]he Army's Reserve Components are resourced at approximately 70% required equipment. Legacy equipment accounts for 30% of equipment on hand. . . . In the short term, the Army's immediate requirements have been resolved by cross leveling equipment among units, or having units utilize equipment remaining in theater as Stay Behind Equipment. These actions have an equipment availability and training impact on units remaining or returning to their home station."<sup>238</sup> Nelson Ford, Assistant Secretary of the Army for Financial Management and Comptroller, told the Commission, "The Army for years did not receive enough funding to accomplish all of its assigned missions. Since 2001, the Army's budget has increased, but so have our obligations and requirements."<sup>239</sup> In testimony to the Commission, General Peter J. Schoomaker, then Army Chief of Staff, declared that the Army began operations in 2001 "flatfooted," with investment accounts short by some \$100 billion. This underfunding resulted in nearly \$56 billion in equipment shortages across the Army.<sup>240</sup>

The percentage of Army National Guard units reported at the lowest level of equipment readiness increased ninefold between 2002 and 2007. These units are in need of additional resources to undertake wartime missions, but able if so directed to undertake part of those missions with their resources on hand. In 2006, Lieutenant General H Steven Blum testified:

The National Guard is not the only part of the Army that's under-equipped. The Army itself has an equipment problem. My problem is more acute because I started deeper in the well than they did. But I am not alone in this. The active Army and the Army Reserve is under-equipped today. Frankly, you have to remember that this was a national military strategy for over four decades to not fully equip the National Guard, to not give it first-line equipment, to treat it as a strategic reserve where we would have plenty of time to build up the force, train the people and equip the people, procure the equipment, get it in the hands of the soldiers. It is a flawed—well, it's flawed today in the light of today's threat, but in the past it was a very well thought out methodology, but we have been way too slow as a nation to recognize the change that the National Guard and Reserve component went through[.]<sup>241</sup>

The equipment situation is similar for the Army Reserve, whose percentage of units at the lowest readiness levels more than tripled between 2001 and 2006.<sup>242</sup>

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236 The Honorable Nelson M. Ford, Assistant Secretary of the Army for Financial Management and Comptroller, testimony before the CNGR, Hearing on Resourcing and Readiness, transcript of May 16, 2007, (second morning) hearing, p. 8.

237 St. Laurent, prepared statement, September 21, 2006, p. 7.

238 Dr. David S. C. Chu, Under Secretary of Defense for Personnel and Readiness, prepared witness statement before the CNGR, Hearing on Roles and Missions, March 8, 2006 ([www.cngr.gov/hearing308-9/Chu.pdf](http://www.cngr.gov/hearing308-9/Chu.pdf)), p. 20.

239 Assistant Secretary Ford, testimony before the CNGR, transcript of May 16, 2007, (second morning) hearing, p. 3.

240 General Schoomaker, prepared witness statement before the CNGR, Hearing on Proposed Changes to the National Guard, December 14, 2006 ([www.cngr.gov/hearing121314/General%20Schoomaker%2014%20DEC%20Record%20Version.pdf](http://www.cngr.gov/hearing121314/General%20Schoomaker%2014%20DEC%20Record%20Version.pdf)), p. 4.

241 Lieutenant General Blum, Chief, National Guard Bureau, testimony before the CNGR, Hearing on Homeland Defense/Homeland Security, transcript of May 3, 2006, (afternoon) hearing ([www.cngr.gov/hearing503-4/0509natguard2.pdf](http://www.cngr.gov/hearing503-4/0509natguard2.pdf)), p. 45.

242 CNGR staff analysis of data from DOD, provided in response to question #64 (on readiness).



A large amount of equipment has been left in theater for follow-on units and not returned. Supplemental procurement funding has been provided to replace much of it, but delivery will take several years. At the same time, many Army reserve component units retain non-deployable substitute items left over from their Cold War inventory. Such legacy items make up about 31 percent of the equipment now on hand in the Army Reserve.<sup>243</sup> This equipment often does not deploy overseas, as it is old and lacks desired capabilities.<sup>244</sup> The Army has procurement plans to replace a number of the most common and least usable of these substitute items.<sup>245</sup>

**Finding:** Many reserve component units in the Army continue to have non-deployable substitute equipment.

The Army is currently converting from the Cold War or “legacy,” division-based force to a smaller but more independent and robust brigade-based “modular force” that is better suited to current operations. Because of this transformation, each unit will require higher quantities of certain equipment. For example, whereas the legacy unit may have had one radio and one machine gun for every 10 vehicles, the modular unit has both for nearly every vehicle. Thus the modular force must be furnished with more equipment to remain at the same level of equipment readiness.<sup>246</sup> In December 2007, Lieutenant General Speakes reported that Army Reserve equipment on hand stood at 76 percent of its requirement and 56 percent of what it would require to meet its goal of having modernized equipment by FY 2013. Likewise, he reported that the Army National Guard had 75 percent of its equipment on hand and 55 percent of what it would require to meet that same goal.<sup>247</sup>



Representatives Hunter and McHugh at March 2006 hearing.

In an effort to meet competing equipment demands, the Army has instituted the Army Equipping and Reuse Conference (AERC). Participants in the AERC, which takes place twice a year, attempt to coordinate the process of equipping the total Army for current operations, future deployments, training, and homeland missions. In this forum, equipment managers and force developers from all the Army commands, component commands, and both reserve components plan and synchronize delivery of available equipment to units.<sup>248</sup>

Table IV.6 presents the total dollar value of the equipment required by all the units in the Army reserve components and currently planned for in the budget or program objective memorandum (POM). According to senior Army officials, the Army’s base budget is \$121 billion, and they believe \$138 billion is necessary to cover essential peacetime needs, which include reserve component equipment.<sup>249</sup> Some progress has been made in addressing these deficiencies, as DOD and the Army seek to meet the require-

243 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, pp. 2-5, 1-5.

244 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 2-9.

245 Lieutenant General Speakes, briefing to Commission, May 15, 2007, p. 19.

246 MFR, Lieutenant General Speakes, briefing to CNGR staff, December 12, 2007, p. 1.

247 Lieutenant General Speakes, briefing to CNGR staff, December 12, 2007, pp. 21, 23.

248 Lieutenant General Stephen M. Speakes, Deputy Chief of Staff, G-8, prepared statement before the Air and Land Forces Subcommittee of the House Armed Services Committee, 110th Cong., 1st sess., January 18, 2007, p. 10.

249 Assistant Secretary Ford, testimony before the CNGR, transcript of May 16, 2007, (second morning) hearing, p. 7.

ments through requested emergency supplemental funding. For 2006 and 2007, the Army budget contained nearly \$3.7 billion for reserve component procurement.<sup>250</sup> The President's 2008 budget seeks large increases for Army National Guard and Reserve equipment. Assistant Secretary Ford testified that the Army is "planning to spend almost \$37 billion for National Guard equipment and over \$10 billion for Army Reserve equipment between fiscal 2005 and fiscal 2013, which is the end of our planning horizon. And at that point we will not have completed equipping either the active force or the reserves to their modified table of organization and equipment, so we still have holes in our yard that extend out past the end of the planning period."<sup>251</sup>

**Finding:** The Army has funded or programmed \$47 billion dollars for reserve component equipment between 2005 and 2013.

Table IV.6. Army Equipment Funding Overview (in billions of dollars)

	TOE Requirement	Modern Items on Hand	Planned Reset and Pass-downs from AC	Programmed Funding, 2008–13	Unfunded Requirement
ARNG	104.60	33.20	26.00	21.50	23.90
USAR	27.70	9.50	2.15	5.50	10.55

Source: Lieutenant General Stephen M. Speakes, Army Deputy Chief of Staff, G-8, briefing to CNGR staff, May 15, 2007, slides 34–35.

TOE = Table of Organization and Equipment.

If current budget plans and commitments are adhered to over the next decade, the Army's reserve components will be equipped to 74 percent within 5 years and to C-1 (90 percent) within 11 years—that is, by 2019.<sup>252</sup> The Army is beginning to make a significant investment in its reserve components' equipment over the six-year defense program, with the intention of satisfying its equipment requirements for the reserve components by 2019.<sup>253</sup> The current strategies of equipping just prior to deployment and cross-leveling equipment will therefore likely continue for some time.

**Finding:** The Army does not plan to fully equip the Army Reserve and Army National Guard to the identified requirements until 2019 at the earliest.

There are a number of reasons to be concerned about the likelihood that the Army's plans to re-equip its reserve components will succeed. First, the Army budget does not take into account the costs associated with plans to expand the Army, which will undoubtedly be large. Assistant Secretary Ford told the Commission, "We are in the process of determining the precise numbers, but know already that they will add billions of dollars to the cost of the Army."<sup>254</sup>

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The current strategies of equipping just prior to deployment and cross-leveling equipment will . . . likely continue for some time.

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250 Lieutenant General Speakes, briefing to Commission, May 15, 2007, pp. 8–10; briefing to Commission, December 12, 2007, pp. 9–10; OASD-RA, *National Guard and Reserve Equipment Report*, 2008, chart 1-3.

251 Assistant Secretary Ford, testimony before the CNGR, transcript of May 16, 2007, (second morning) hearing, p. 4.

252 Lieutenant General H Steven Blum, speech to CSIS leadership forum, May 24, 2007; Lieutenant General Speakes, briefing to Commission, May 15, 2007, p. 27.

253 Lieutenant General Speakes, briefing to Commission, May 15, 2007, p. 27.

254 Assistant Secretary Ford, prepared statement, May 16, 2007, p. 3.

Second, funding proposed for the Army's reserve components has at times been reduced by as much as 50 percent before the year in which the funding is actually executed.<sup>255</sup> As Table IV.7 shows, such cuts have resulted in persistent Army National Guard and Army Reserve equipment shortages over the past two decades. Significant funding has been obtained for these systems in recent supplements, with more money programmed for the out-years.<sup>256</sup>

Table IV.7. Examples of Army Reserve Component Equipment Shortages

SYSTEM	Year Entered Service	Number Short	Cost to Procure (thousands of \$)
HMMWV	1985	22,880	2,320,000
Medium trucks: FMTV	1992	42,000	5,300,000
Small arms	1985–97	53,079	153,000
Night vision goggles: PVS-7 & -14	1983	264,350	1,700,000
Tactical radios: SINC- GARS	1986	50,800	560,000

Source: Data provided by ARNG and USAR system integrators, Army program managers, as of October 2006.

HMMWV = High Mobility Multipurpose Wheeled Vehicle; FMTV = Family of Medium Tactical Vehicles; PVS = Passive Vision System; SINCARS = Single Channel Ground and Airborne Radio System.

Third, at the same time that the Army is working to re-equip the reserve components, it is developing new technology such as the multi-billion-dollar Future Combat System (FCS). The program currently envisions fielding only 15 heavy brigade combat teams with the new generation of combat vehicles and new subsystems to other deploying forces beginning in 2015. The distribution of these 15 state-of-the-art sets between the active Army's 18 heavy brigades and the Army National Guard's 6 heavy brigades has not yet been determined.<sup>257</sup>

**Finding:** Taking more than a decade to ensure the equipment readiness of the Army poses an unacceptable risk. Budget pressures could delay this plan even further.

### *Navy Equipment*

The Navy's policy is to equip all its units, both active and reserve, to accomplish all their assigned missions.<sup>258</sup> Rear Admiral Bozin testified, "I think we're adequately funded with equipment with the caveat [of] concern for the industry."<sup>259</sup> DOD requested \$51.7 million for Navy Reserve equipment in the FY 2008 budget, a figure that represents 0.1 percent of the Navy's \$38.7 billion total procurement budget.<sup>260</sup> In establishing total force equipment requirements and priorities, the same methodology and processes are used for active and reserve component units that have the same

255 *Strengthening America's Defenses in the New Security Environment*, pp. 34–35.

256 Lieutenant General Speakes, briefing to Commission, December 12, 2007, pp. 9, 10, 13–15.

257 MFR, Lieutenant General Speakes, briefing to Commission, December 12, 2007, p. 2.

258 "Equipment priorities for Ready Reserve units will be established using the same methodology as Regular units having the same mobilization mission or deployment requirements" (Department of the Navy Instruction 4423.3D, "Equipping Reserve Forces," September 27, 1995, p. 1).

259 Rear Admiral Bozin, testimony before the CNGR, transcript of May 16, 2007, (second morning) hearing, p. 16. See p. 28 for his concerns regarding the defense industrial base.

260 Deputy Assistant Secretary Walker, briefing, September 20, 2007, p. 11.

mission and deployment requirements. Each Navy Warfare Enterprise (Air, Surface, Subsurface, Expeditionary, and Network) is responsible for allocating resources to both active component and reserve component organizations.<sup>261</sup> The Navy stresses interoperability as part of the total force concept, which makes no distinction between active and reserve requirements. Recent equipment acquisition, upgrade programs, and equipment redistribution from the active component have reduced problems of equipment incompatibility between the reserves and active duty forces.<sup>262</sup>

The heavy usage of Navy Reserve capabilities during the global war on terror is reflected in the need to reset Navy equipment. The Navy Reserve's Naval Construction Force units, which provide 66 percent of Navy's combat construction capability, are deployed regularly throughout Iraq. These construction forces have some equipment shortages in their tactical vehicles, civil engineering support equipment, and communications gear. However, the significant investment in this equipment provided by the NGREA during fiscal years 2004 to 2006 has eased deficiencies.<sup>263</sup> Additional funding for ground equipment reset was provided in the 2007 supplemental and has been requested for 2008.<sup>264</sup>

Similarly, the Navy Reserve's Expeditionary Logistics Support units provide more than 90 percent of the Navy's expeditionary logistics support capabilities. Equipment held by reserve logistics units is serviceable but requires modernization. Less than 20 percent of the Expeditionary Logistics Support units' table of authorized modernized equipment was funded through 2007. These shortfalls affect readiness and may reduce the units' ability to support operations. From fiscal year 2004 to fiscal year 2007, \$4.8 million dollars was provided to address these equipment needs.<sup>265</sup>

The Navy Reserve also has a significant number of aviation units, and the age of their aircraft is troubling. Navy Reserve crews provide medium and heavy airlift supporting logistics for fleet commanders and airlift to military departments within the United States. The Fleet Logistics Support Wing consists of 15 squadrons operating C-40, C-9, C-20, C-37, and C-130 aircraft. The C-9 aircraft are, on average, more than 32 years old and require substantial avionics upgrades as well as replacement engines to meet navigation requirements and mandates of noise abatement.<sup>266</sup> As Rear Admiral Bozin told the Commission, "When the average age of our aircraft is higher than the average age of our ships there is concern[.]"<sup>267</sup>

### *Marine Corps Equipment*

In May 2005, Lieutenant General Emerson Gardner, Marine Corps Deputy Commandant for Programs and Resources, explained to the Commission that active and reserve component equipment readiness requirements are considered as one. According to the plans he discussed, total force equipment readiness should be above the 90 percent level by mid-2008.<sup>268</sup>

The Marine Corps is executing a significant number of operational missions that necessarily expend ground equipment, which is therefore being degraded across the Corps.<sup>269</sup> Combat equipment

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261 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 4-5.

262 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, pp. 4-1, 4-5; Chief of Naval Operations Instruction (OPNAVINST) 4423.3, "Equipping Reserve Forces," September 27, 1995.

263 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, pp. 4-5, 4-7, 4-8.

264 Admiral Robert F. Willard, prepared statement before the House Armed Service Committee Subcommittee on Military Readiness, 110th Cong., 1st sess., March 13, 2007, pp. 13-14, 21-22.

265 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, pp. 4-3, 4-8, 4-9.

266 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 4-10.

267 Rear Admiral Bozin, testimony before the CNGR, transcript of May 16, 2007, (second morning) hearing, p. 15.

268 Lieutenant General Gardner, Deputy Commandant for Programs and Resources, USMC, Marine Corps Reserve Resource Strategy, briefing to Commission, May 15, 2007 (portions classified).

269 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 1-6.



continues to be concurrently fielded to both the active and reserve components. As equipment is fielded, compatibility also poses a challenge. For example, it was reported in February 2007 that units are experiencing problems with communications because members of the Marine Corps Reserve are not training with the same equipment that they use in theater.<sup>270</sup> Other ongoing difficulties include the need to reset pre-positioned equipment and to replace unit equipment.<sup>271</sup> Lieutenant General Bergman testified before the Commission in 2006 that “[e]quipping our Reserve Component continues to be extremely challenging. Because of the level of support provided to the GWOT, ground equipment usage averages from four to nine times the normal programmed peacetime usage. Ground equipment readiness rates of our deployed forces average above 95%. This comes at a cost to our non-deployed units. Non-deployed units have ground equipment readiness rates that hover at 85%. However, this number can be deceiving as many units have severe shortages in equipment available due to ‘cross-leveling’ of equipment to support deployed and deploying forces.”<sup>272</sup>

DOD requested \$99.9 million for Marine Corps Reserve equipment in the FY 2008 budget. This figure represents 2.9 percent of the Marine Corps’ \$2.9 billion total procurement budget. In the past, the Marine Corps Reserve has received additional equipment through the NGRE and emergency supplemental funding. In FY 2006, these accounts provided \$97 million more to the Marine Corps Reserve.<sup>273</sup> The Marine Corps has a funding plan in place that, if implemented, would eliminate remaining shortages in ground equipment. Aviation equipment is also expected to be funded to Marine Corps Reserve requirements, although this is less certain.<sup>274</sup>

### *Air Force Equipment*

The Air Force and both its reserve components, the Air Force Reserve and Air National Guard, began the global war on terror at deployable readiness levels.<sup>275</sup> However, the high operational tempo of Air Force units in the current conflicts (particularly support units and individual augmentees) and an aging aircraft inventory are causing fiscal and readiness challenges. The Air Force is maintaining short-term equipment readiness through emergency supplemental funding.<sup>276</sup>

From September 2001 to May 2007, the Air Force lost 42 aircraft in military operations and 89 in training.<sup>277</sup> General Faykes told the Commission, “In the last 10 years the cost to operate our legacy fleet has increased 179 percent in terms of flying hour cost, depot maintenance cost, and contractor depot maintenance cost.”<sup>278</sup> Aging aircraft and a high operational tempo have significantly increased maintenance costs and downtime. Older equipment is more expensive to maintain, and its distribution within the Air Force is disproportionately concentrated in the reserve components.<sup>279</sup> Fourteen percent of the total Air Force fleet of aircraft is grounded or operating under mission-

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270 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 3-7.

271 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 1-6.

272 Lieutenant General Bergman, prepared statement, July 19, 2006, pp. 8-9.

273 Deputy Assistant Secretary Walker, briefing, September 20, 2007, p. 12.

274 Lieutenant General Bergman, letter to Chairman Punaro, October 24, 2006, pp. 2-3.

275 Lieutenant General Blum, testimony before the CNGR, transcript of January 31, 2007, (first morning) hearing, p. 29; Lieutenant General Bradley and Lieutenant General McKinley, testimony before the CNGR, transcript of July 19, 2006, hearing, p. 27.

276 Major General Charles Stenner, Deputy Chief of Staff, Strategic Plans and Programs (AF/A8), “Recapitalizing the Air Force: A Strategic View,” briefing to Commission, May 15, 2007, p. 19.

277 Major General Faykes, testimony before the CNGR, transcript of May 16, 2007, (second morning) hearing, p. 27.

278 Major General Faykes, testimony before the CNGR, transcript of May 16, 2007, (second morning) hearing, p. 14.

279 Phillip S. Meilinger, “Airpower and the Reserve Components,” *Joint Force Quarterly*, no. 36 (1st Quarter 2005): 60.



limiting restrictions,<sup>280</sup> while 45 percent of Air National Guard units are reporting readiness at less than C-2.<sup>281</sup>

General Faykes testified, “We can fight today. We are fighting today and our total integrated force allows us to do that very effectively. We need to ensure that we’re resourced to fight tomorrow and I would say that we’re not. I would say we’re facing a crisis in modernization within the Air Force. We don’t have enough money to ensure we recapitalize and modernize our aging systems.”<sup>282</sup> According to a senior Air Force resourcing official, “The USAF needs on average \$20B more per year to fund a modernized and ready QDR-directed force of 86 combat wings[.]”<sup>283</sup>

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“We need to ensure that we’re resourced to fight tomorrow and I would say that we’re not.”

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In addition to having to deal with aging aircraft, the Air National Guard has equipment shortages in its ground support and security force units as well.<sup>284</sup>

### *Coast Guard Equipment*

The Coast Guard has adopted an integrated total force design for its reserve component that is based largely on supplying personnel to augment the active Coast Guard forces, an approach that ensures little need for separate, dedicated equipment.<sup>285</sup> Coast Guard equipment is funded by the Department of Homeland Security or by the Department of Defense, depending on the primary mission of the equipment.<sup>286</sup> Use of Coast Guard equipment for both domestic operations and in support of combatant commander requirements has increased over the past several years as it deploys more assets for maritime security and port security operations.<sup>287</sup>

The Coast Guard has undertaken the Deepwater “system of systems” program to modernize its fleet of vessels and aircraft, but the program suffered a disastrous setback when structural failures forced the Coast Guard to remove from service eight essential 123-foot cutters.<sup>288</sup> Other Coast Guard procurement and maintenance programs are on schedule.<sup>289</sup>

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280 Major General Frank Faykes, Director Air Force Budget, “We Are America’s Airmen,” briefing on FY 2008 President’s Budget, February 5, 2007, p. 14.

281 Lieutenant General Blum told the Commission, “The Air Guard, for the first time in 30 years, has 45 percent of its units less than C-2. Think about that. That’s unheard of” (testimony, transcript of January 31, 2007, [first morning] hearing, p. 29).

282 Major General Faykes, testimony before the CNGR, transcript of May 16, 2007, (second morning) hearing, p. 14.

283 Major General Stenner, “Recapitalizing the Air Force,” p. 2.

284 Staff analysis of data from DOD, provided in response to question #64 (on readiness).

285 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 6-3.

286 OASD-RA, *National Guard and Reserve Equipment Report*, 2008, p. 6-3.

287 Admiral Thad W. Allen, Commandant, U.S. Coast Guard, prepared testimony before the House Armed Services Committee, Hearing on Cooperative Strategy for 21st Century Seapower, 110th Cong., 1st sess., December 13, 2007, pp. 3-4.

288 Admiral Thad Allen, “Statement on Converted 123-Foot Patrol Boats and Changes to the Deepwater Acquisition Program, United States Coast Guard,” April 17, 2007, n.p.; Department of Homeland Security, Office of the Inspector General, “OIG Complaint Case Number 06-14270: 110/123’ Maritime Patrol Boat Modernization Project, U.S. Coast Guard,” February 9, 2007, p. 2.

289 Admiral Thad Allen, Department of Homeland Security, Commandant, U.S. Coast Guard, prepared statement before the Senate Subcommittee on the Coast Guard and Committee on Commerce, Science and Transportation, 110th Cong., 1st sess., February 14, 2007, pp. 4-5.

Recommendations:

42. Congress should require that total force equipment requirements be included in service and joint materiel development, acquisition, and procurement plans, production contracts, and delivery schedules.
43. Program elements should be added to the DOD procurement budget justification material and accounting system to increase transparency with regard to reserve component procurement funding and to improve DOD's ability to track delivery of equipment to the reserve components.
44. The services should conduct a baseline review of reserve component equipment requirements, encompassing the accelerated degradation of equipment readiness caused by the current operations as well as the services' plans to implement force generation deployment models for both the active and reserve components; those requirements for civil support identified through DOD's collaboration with the Department of Homeland Security; and a revalidation of existing requirements, some of which remain tied to Cold War force management and a strategic reserve.
45. The services should use this review to prioritize funding to restore equipment readiness for the current operations, and to prioritize programming and budgeting for requirements, including
  - a. Re-equipping programs for the Army and Marine Corps that would restore their reserve components to a C-1 level (as measured by the Status of Resources and Training System, modified pursuant to Recommendation #32) for required equipment on hand (including systems in training sets) as soon as possible, but no later than 2015.
  - b. Providing critical dual-use (CDU) equipment to conduct the full range of homeland missions as soon as possible, but no later than 2013.

## F. ACCESS TO THE RESERVE COMPONENTS

The military services do not have unlimited access to the reserve components. When Congress authorized the current reserve component categories in 1952, it placed limits on their mobilization obligations. Broadly speaking, *mobilization* refers to the process of "assembling and organizing national resources to support national objectives in time of war or other emergencies."<sup>290</sup> Although other forms of mobilization, such as industrial mobilization and wartime taxation, have been largely abandoned, the military still requires access to reservists, as the size of the nation's standing armies is limited. *Reserve component mobilization* refers specifically to the process of ordering reserve component members into federal military service. Once members volunteer to join the reserve components, they take upon themselves the obligation to be subject to active duty.<sup>291</sup> Through mobilization, the services obtain access to trained, ready, and equipped units and individuals to augment the active component forces.

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290 Department of Defense Directive 1235.10, "Activation, Mobilization, and Demobilization of the Ready Reserve," September 23, 2004, E2.1.10, p. 12.

291 See DD Form 4/1, "Enlistment/Reenlistment Document: Armed Forces of the United States," October 2007, p. 2, 10b-10g. Section 101(d)(1) of 10 U.S.C. defines *active duty* as "full-time duty in the active military service of the United States. Such term includes full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned. Such term does not include full-time National Guard duty."

Generally, mobilization statutes provide access to the reserve components that increases as the threat to national security rises. There are three authorities under which a reserve component member may be mobilized by the President or Congress: (1) full mobilization under 10 U.S.C. §12301(a), (2) partial mobilization under 10 U.S.C. §12302, and (3) Presidential Reserve Call-up under 10 U.S.C. §12304. In addition, the Secretary of Defense may accept a voluntary mobilization under 10 U.S.C. §12301(d) or may involuntarily mobilize a member of the reserve components for up to 15 days per year under 10 U.S.C. §12301(b). A governor may mobilize members of his or her National Guard under 32 U.S.C. §502(f) with federal pay, benefits, and legal protection for “other duty” under state control (not federal service). The Coast Guard Reserve may be separately mobilized under 14 U.S.C. §712 for up to 60 days at a time.

A full mobilization calls forth all members of the reserve components for the duration of the war or national emergency declared by Congress, plus six months.<sup>292</sup> All categories of reserve component affiliation, including the Retired Reserve and Standby Reserve, can be called up to serve during a full mobilization. A full mobilization of the reserve components has not occurred since World War II, when it was accompanied by a draft imposed on the civilian population.<sup>293</sup>

Partial mobilization enables the military services to call forth up to one million members of the Ready Reserve at any one time, following a national emergency declared by the President or when otherwise authorized in law. The period of mobilization under this authority is not to exceed 24 consecutive months for each individual mobilized. Partial mobilization requires, insofar as national security and military requirements will reasonably allow, the “fair treatment” of Ready Reserve members recalled to active duty with regard to the “length and nature of their previous service,” “share[d] exposure to hazards,” “family responsibilities,” and “employment.”<sup>294</sup> There is no end in statute to a partial mobilization once it is in effect. Presumably, a partial mobilization ends when the national emergency is resolved or when terminated by the President.

Congress, in response to the Korean War, authorized a partial mobilization authority to better define the parameters of a mobilization of the reserve components. The Armed Forces Reserve Act of 1952 established the partial mobilization authority to allow involuntary active duty “for a period not to exceed twenty-four consecutive months.” The partial mobilization authority allowed Congress to determine the size of the mobilization.<sup>295</sup>

The limitations on service in a partial mobilization have changed in two significant ways since the authority was originally enacted. The first major change occurred in the Reserve Forces Act of 1955, when, at the request of President Dwight D. Eisenhower, Congress greatly expanded the end strength authorization of the Ready Reserve from 1.5 million to 2.9 million to meet Cold War requirements.<sup>296</sup> In the same legislation, Congress limited the size of a partial mobilization to no more than one million members at any one time to maintain the partial nature of the reserve component mobilization.<sup>297</sup> While the limitation of no more than a million mobilized at any one time has remained in place since 1955, the size of the reserve components is now well below 2.9 million. The

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292 10 U.S.C. §12301.

293 John K. Mahon, *History of the Militia and the National Guard* (New York: Macmillan, 1983), p. 184.

294 10 U.S.C. §12302(b).

295 Public Law 82-476, July 9, 1952, Chapter 608, §233.

296 President Dwight D. Eisenhower, “Statement by the President upon Signing the Reserve Forces Act of 1955,” August 9, 1955; 10 U.S.C. §10142(b).

297 Public Law 84-305, August 9, 1955.

current size of the entire Ready Reserve is only about 1.1 million members, including both 835,236 in the Selected Reserve and 252,241 in the Individual Ready Reserve.<sup>298</sup>

The second noteworthy change to the partial mobilization authority concerns the length of the service obligation and number of times a service member can be mobilized. The law currently states that a service member can be mobilized “for not more than 24 consecutive months.”<sup>299</sup> Thus, “for a period not to exceed twenty-four consecutive months” has been replaced with the possibility of repeated mobilizations, each up to two years’ duration. The Commission reviewed the legislative history of this provision, and it appears that this significant change occurred during the codification of Title 10 on August 10, 1956, and not by a congressional amendment.<sup>300</sup>

**Finding:** The partial mobilization statute allows for a service member to be repeatedly mobilized as long as no single mobilization period exceeds 24 consecutive months.

The Commission is aware of several recommendations to revise the partial mobilization statute. The Institute for Defense Analyses reported in 2004, “OIF mobilization concepts were based on the Cold War model and are now obsolete. . . . [T]he Cold War concept envisioned a single war for which the entire reserve component would be mobilized, *but* that such a war would occur infrequently, if at all.” The global war on terror has turned that vision on its head, as specific units and capabilities are mobilized from the reserve components to meet persistent operational requirements. Furthermore, the report notes, “the [Cold War] plan envisioned large-scale use of the draft to provide replacements.”<sup>301</sup> Without such replacements, additional manpower can come only by repeatedly mobilizing the reserve components or by inducing new recruits to join the existing force.

The Center for Strategic and International Studies (CSIS) issued a wide-ranging congressionally funded report, titled *The Future of the National Guard and Reserves*, that called for DOD to “propose a new set of mobilization authorities to Congress that would enable use of the Reserve Component as part of an operational force, ensure judicious and prudent use of the Reserve Component, and preserve the flexibility of the President to call on the Reserve Component as appropriate for national emergencies or declarations of war.”<sup>302</sup> CSIS suggested a number of approaches to achieve this goal, such as creating a new mobilization authority that has an established dwell time, restricting activations to “not longer than 18 months during a six year period,” or capping the partial mobilization at 18 months following a national emergency and requiring a transition to a full mobilization if more troops are needed after that period.<sup>303</sup> The Coast Guard Reserve already has a mobilization authority that specifically provides for dwell time, much as CSIS recommends. Section 712 of 14 U.S.C. provides that the members of the Coast Guard reserve may be mobilized for “60 days in any 4-month period” and “120 days in any 2-year period.”<sup>304</sup>

CSIS also made specific recommendations to enhance the predictability of mobilizations and keep the average length of mobilization to no more than one year. The objective of such changes is to “strike a

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298 10 U.S.C. §10142(b); Office of the Assistant Secretary of Defense for Reserve Affairs, “Information Briefing: Fourth Quarter FY 2007,” June 30, 2007 ([www.defenselink.mil/ra/documents/Reserve%20Affairs%20101%20brief%204th%20Q%20FY%2007.pdf](http://www.defenselink.mil/ra/documents/Reserve%20Affairs%20101%20brief%204th%20Q%20FY%2007.pdf)), p. 8.

299 10 U.S.C. §12302(a); Public Law 82-476, Chapter 608, §233.

300 MFR, CNGR staff interview with Jim Martin, Law Librarian, Law Library of Congress, January 4, 2008, p. 2.

301 Institute for Defense Analyses, “Fixing Mobilization in DOD,” February 2004, p. 4.

302 Christine E. Wormuth, Michèle A. Flournoy, Patrick T. Henry, and Clark A. Murdock, *The Future of the National Guard and Reserves: The Beyond Goldwater Nichols Phase III Report* (Washington, DC: Center for Strategic and International Studies, 2006), p. 43.

303 Wormuth et al., *The Future of the National Guard and Reserves*, p. 43.

304 As amended by Public Law 109-241, *Coast Guard and Maritime Transportation Act of 2006*, July 11, 2006, §206.

balance between mission needs and the needs of RC members and their families.”<sup>305</sup> The Center for American Progress similarly recommended that Congress “[l]imit the president’s ability to mobilize Guard units to no more than one year out of five without congressional authorization.”<sup>306</sup>

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The cap on the number of reservists that can be mobilized under a partial mobilization is now a meaningless threshold.

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In 2006 General Peter J. Schoomaker urged the Commission “to reexamine our mobilization policies, authorities and practices which have evolved from laws written more than 50 years ago for a conscripted force and a strategic reserve.”<sup>307</sup> Lieutenant General Raymond T. Odierno similarly informed the Commission that “[c]urrent mobilization laws were written in the 1950’s for small scale limited operations or large-scale full mobilization, vice today’s protracted conflicts.” Nevertheless, as he pointed out, the age of these laws has been no bar to using the reserve components: “In the last decade and a half we have mobilized more members of the National Guard and reserves than in the 45 years since the end of World War II.”<sup>308</sup>

The Commission believes that the mobilization statutes provide no effective limitation on the number and duration of mobilizations under a partial mobilization. The cap on the number of reservists that can be mobilized under a partial mobilization is now a meaningless threshold, given the size of the Ready Reserve. The Commission is aware of four different methods of structuring a partial threshold: the statutory threshold can be removed altogether and the President can set a limit on the size of the partial mobilization, each partial mobilization declared can require congressional authorization for the size of the mobilization, or it can be limited to a set number or percentage relevant to the size of the Ready Reserve. While the statute as currently written provides access to reserve component capabilities, it does not provide for a predictable or sustainable operational reserve.

#### Recommendations:

46. Congress should amend the partial mobilization statute (10 U.S.C. §12302) to clarify congressional intent with regard to the duration of the mobilization obligation.
47. The limitation of 1,000,000 service members at any one time that can be mobilized under a partial mobilization should be replaced with a limitation that is relevant to the size of the existing Ready Reserve or the new reserve component categories proposed by the Commission in Recommendation #86.

### Accessing the Reserve Components for the Global War on Terror

In response to the terrorist attacks on the World Trade Center and Pentagon, President George W. Bush declared a partial mobilization under 10 U.S.C. §12302 on September 14, 2001; it remains in effect. Once the President had declared a partial mobilization, he delegated authority to the Secretary of Defense and, for the Coast Guard, to the Secretary of Transportation (later to the Secretary of Homeland Security) to execute that mobilization.<sup>309</sup> At the outset of the global war on terror,

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305 Wormuth et al., *The Future of the National Guard and Reserves*, p. 106.

306 Lawrence J. Korb and Sean Duggan, “Caught Off Guard: The Link Between Our National Security and Our National Guard,” Center for American Progress, May 21, 2007, p. 6.

307 General Schoomaker, prepared statement, December 14, 2006, p. 5.

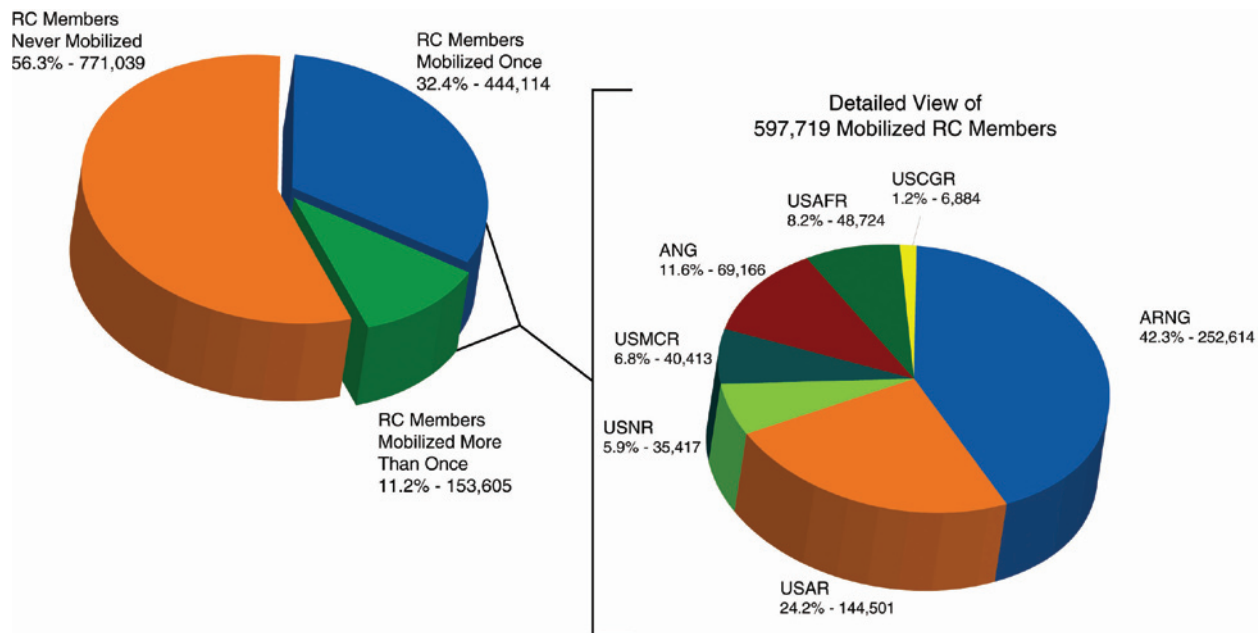
308 Lieutenant General Odierno, prepared statement, March 8, 2006, p. 10.

309 Executive Order 13223, “Ordering the Ready Reserve of the Armed Forces to Active Duty and Delegating Certain Authorities to the Secretary of Defense and the Secretary of Transportation,” September 14, 2001.



Secretary of Defense Donald Rumsfeld provided guidance to the military services on how to manage the mobilization and set ceilings on how many reserve components members might be mobilized. The Secretary attempted to clarify, within the broad authority of the partial mobilization, specific policy with regard to how many service members could be mobilized and the length and number of mobilizations that an individual could expect to serve. DOD policy limited mobilization to a single period of no more than 12 months,<sup>310</sup> and it was DOD's plan to adhere to guidelines that would "allow the Reserve Components to sustain a utilization rate not to exceed 17 percent per year[.]"<sup>311</sup> While this approach might have been successful in the short term, the need for significant reserve component capabilities persisted. After the initial homeland security missions, combat operations in Afghanistan and Iraq quickly followed—operations that remain dependent on reserve component capabilities.<sup>312</sup> As one witness remarked before the Commission, "Mobilizations will continue indefinitely."<sup>313</sup>

As represented in Figure IV.4, the Department of Defense has mobilized, as of September 30, 2007, a total of 597,719 Selected Reservists to active duty in federal status (10 U.S.C. §12302) for Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom. For the same operations and as of the same date, the Department of Defense has also mobilized a total of 16,014 Individual Ready Reserve members to active duty in a federal status (10 U.S.C. §12302). Figure IV.4 also identifies the reserve components' contribution to the global war on terror by service.



Source: Office of the Assistant Secretary of Defense for Reserve Affairs, "Reserve Force Mobilization Statistics," September 30, 2007, p. 2.

**Figure IV.4. Selected Reserve Component Members Mobilized for Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom**

310 David S. C. Chu, Under Secretary of Defense for Personnel and Readiness, memorandum, "Mobilization/Demobilization Personnel and Pay Policy for Reserve Component Members Ordered to Active Duty in Response to the World Trade Center and Pentagon Attacks," September 20, 2001.

311 The Honorable Thomas F. Hall, Assistant Secretary of Defense for Reserve Affairs, "Military Forces," prepared statement before the Senate Armed Service Committee, Military Personnel Subcommittee, 109th Cong., 1st sess., April 13, 2005, p. 16.

312 DOD Press Releases, "DoD Announces Units for Upcoming Afghanistan Rotation," No. 1368-07, December 3, 2007; "DoD Announces OEF/OIF Rotational Units," No. 1289-04, December 14, 2004.

313 Command Sergeant Major Gipe, prepared statement, June 15, 2006, p. 4.

When reserve component capabilities are used for a long period of time, it becomes necessary to examine whether appropriate protections against unpredictable and open-ended service obligations exist. As Lieutenant General John Bradley explained, “Our challenge is to determine how and when reservists can best perform active duty while protecting the individual reservist and the voluntary nature of reserve service.”<sup>314</sup> If such a balance is not struck, either reservists will be saddled with a military obligation that makes them incapable of maintaining their civilian livelihood or the services will be denied their capabilities, in which a significant investment has been made and on which our national security depends.

Lieutenant General James Helmly, Chief of the Army Reserve, captured the impact of DOD’s policies in a 2004 memo to the Chief of Staff of the Army. He wrote, “I wish to advise you of my deepening concern over the effects of current policies and practices on the readiness of the Army Reserve as a capable military force. Current Army Reserve capabilities are limited severely by a successive series of restrictive mobilization policies and controls that have been incrementally enacted. Each has failed to encompass a longer range, strategic view of operational requirements and Army capabilities[.]” Lieutenant General Helmly added that “the Army Reserve is additionally in grave danger of being unable to meet other operational requirements including those in named OPLANS [operational plans] and CONUS [continental United States] emergencies[.]”<sup>315</sup> According to Lieutenant General James J. Lovelace, Jr., “These mobilization policies and practices have decimated the cohesion of our RC forces.”<sup>316</sup>

Driven by similar concerns, the Marine Corps commissioned an independent study of the sustainability of reserve mobilization policies. The study, conducted in 2006, reported that 286 military occupational specialties (MOS) had more than 50 percent of their population mobilized and “[i]t is nearly impossible at this time to involuntarily activate an entire, intact unit for deployment under current restrictions.” The study concluded that if the DOD policy of allowing only a single 12-month mobilization and no further involuntary remobilization continued, the Marine Corps would simply run out of units to mobilize.<sup>317</sup>

Lieutenant General Jack Bergman, Commander, Marine Forces Reserve, testified that “[p]redictability is everything. We’re getting more of that, whether it’s predictability in your deployment cycle, predictability in your training, and predictability for the employer. The employer really doesn’t care if you’re across the street or across the world. All they know is that you’re not at your desk working for them that day. So predictability goes a long way to help us with the recruiting and retention.”<sup>318</sup>

Lieutenant General H Steven Blum testified before the Commission in January 2007:

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“Our challenge is to determine how and when reservists can best perform active duty while protecting the individual reservist and the voluntary nature of reserve service.”

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314 Lieutenant General John A. Bradley, USAF, Chief of Air Force Reserve, memorandum, “Reserve Operational Force Policy,” July 17, 2006.

315 Lieutenant General James Helmly, Chief, U.S. Army Reserve, memorandum to Chief of Staff of the U.S. Army, “Readiness of the Army Reserve,” December 20, 2004.

316 Lieutenant General Lovelace, prepared statement, April 12, 2007, pp. 7, 2.

317 “Sustained Manpower Capability of the Marine Corps Reserve Under Partial Mobilization Authority: Final Report,” Technatomy Corporation, Fairfax, VA, July 25, 2006, p. III-5.

318 Lieutenant General Jack Bergman, USMC, Commander, Marine Corps Reserve, testimony before the House Appropriations Subcommittee on Defense, Hearing on the National Guard and Reserve, 110th Cong., 1st sess., April 20, 2007, p. 70.

If the president wants to call a general mobilization of the National Guard and reserves, we can follow that model. But if we're going to do what we're doing now and use the Guard in rotational basis on the Army force generation model and the Air Force air expeditionary model, then we have to do it in such a way where we can call those people periodically, and we can call them in a predictable manner. And we can call them at such a rate where we can maintain a volunteer force and we don't have to force Capitol Hill to consider things like a draft, which I don't think anybody on this panel thinks is the right answer.<sup>319</sup>

Under Secretary David S. C. Chu identified the concern that the demand for reserve component capabilities was changing the nature of reserve component service: "From my perspective, the dominant question still remains, 'How extensively can we use the Guard and Reserve and still maintain a viable long-term Reserve force?'"<sup>320</sup> On January 19, 2007, Secretary of Defense Robert Gates issued new mobilization policy guidance:

- "[I]nvolutionary mobilization for members of the Reserve Forces will be for a maximum of one year at any one time. At service discretion, this period may exclude individual skill training required for deployment, and post-mobilization leave."
- "[M]obilization of ground combat, combat support and combat services support will be managed on a unit basis."
- "[T]he planning objective for involuntary mobilization of Guard/Reserve units will remain a one year mobilized to five years demobilized ratio. However, today's global demands will require a number of selected Guard/Reserve units to be remobilized sooner than this standard. Our intention is that such exceptions be temporary and that we move to the broad application of the 1:5 goal as soon as possible."
- The Department will establish "a new program to compensate or incentivize individuals . . . who are required to mobilize or deploy early or often[.]"
- "Stop Loss will be minimized for both active and Reserve component forces."<sup>321</sup>

**Finding:** Secretary Gates issued a mobilization policy that addressed concerns over the lack of effective remobilization policy and dwell time guidance by stating as goals that mobilization should not exceed 12 months' duration and that there should be a five-year dwell time between mobilizations.

The Secretary's "Utilization of the Total Force" memorandum has not been fully implemented by all services. Army Chief of Staff General George Casey explained that the Army has yet to achieve the Secretary's goal: "We need to adjust our deployment and our dwell policies so that we get back to the ratio that we feel is sustainable, which is . . . one [year] deployed, five years back for reserve component forces. And it's going to take us a while to do that."<sup>322</sup> Brigadier General Gibson testified that "[m]ore than 5,000 Airmen exceed the 1:2 deployment-to-dwell ratio for active-component airmen and the 1:5 mobilization-to-dwell ratio for reserve-component Airmen as defined in OSD Memorandum, *Utilization of the Total Force*, dated 19 Jan 07."<sup>323</sup>

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319 Lieutenant General Blum, testimony before the CNGR, transcript of January 31, 2007, (first morning) hearing, p. 19.

320 Under Secretary Chu, prepared statement, March 8, 2006, p. 8.

321 Secretary of Defense, memorandum for Secretaries of the Military Departments, Chairman of the Joint Chiefs of Staff, and Under Secretaries of Defense, "Utilization of the Total Force," January 19, 2007, pp. 1–2.

322 General Casey, Remarks at the National Press Club, Congressional Quarterly Transcription, August 14, 2007, n.p.

323 Brigadier General Marke F. Gibson, Deputy Chief of Staff for Operations, Plans and Requirements, U.S. Air Force, prepared testimony before the House Armed Services Committee, Hearing on In-Lieu-of Taskings, 110th Cong., 1st sess., July 31, 2007, p. 7.

Indeed, current operational requirements and the challenge of rebalancing and resetting forces make these policies difficult to apply.<sup>324</sup> Francis Harvey, Secretary of the Army, testified before the Commission that “today’s global demand for Army forces will require selected reserve force units to be remobilized sooner than the current policy goal.”<sup>325</sup> The Congressional Budget Office reported that “DoD has notified four Army National Guard combat brigades that they may be deployed as soon as December 2008. Some of those brigades had previously been deployed within the time period that DoD’s new policy would appear to prohibit.”<sup>326</sup>

The Department of Defense has belatedly responded to the needs of the reserve components by establishing remobilization and dwell time goals that seek to place the mobilization of the reserve components on a sustainable basis. Because of existing global commitments and a shortage of military forces, its own policy goals are not currently achievable.<sup>327</sup> As Secretary Gates acknowledged, “Just as we are asking the active forces to do more in this time of need, so we must ask more of our Reserve components.”<sup>328</sup> In the Commission’s assessment, the services appear to lack strategies to achieve the Secretary’s total force utilization goals until several years after the current conflict ends. Until that time, the need for personnel will continue to be met by the remobilization of the Selected Reserve with inadequate dwell time, unless there is protection against such practices, expanded access to all reserve component categories, or an increase in the size and effectiveness of the total force.

**Recommendation:**

48. Congress should require the military services to report on any potential impediments to implementing dwell times and deployment periods that are sustainable during current and projected operations and to specify the necessary actions and appropriate milestones to overcome these impediments.

***Managing the Mobilization Process***

In 2002, the Department of Defense held a symposium titled “Mobilizing the Reserve Forces in the 21st Century.” Its key themes included shortening the mobilization timeline, tailoring reserve component force to mission requirements, and adopting best business practices such as organizational accountability, joint billet validation, and automation, all to make more judicious use of the reserve components.<sup>329</sup> The Army G-3 conducted a study in 2003 of the mobilization process and concluded, “At present, no single authority in the Army is recognized as the proponent authority for major mobilization issues”; it therefore saw a need to “[r]e-establish



Lt. Gen. Odierno at March 2006 hearing.

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324 Assistant Secretary James, letter to Chairman Punaro, p. 13.

325 Secretary Harvey, prepared statement, January 31, 2007, p. 5.

326 Such deployments have now occurred; see CBO, “Some Implications of Increasing U.S. Forces in Iraq,” April 2007, p. 5.

327 Under Secretary Chu, memorandum, “Programs to Support Utilization of the Total Force.”

328 Secretary of Defense, memorandum, “Utilization of the Total Force,” p. 1.

329 “Report of the DOD Mobilization Symposium,” November 18–20, 2002, pp. 6–7.



Department of Army authority over mobilization processes.”<sup>330</sup> In 2003 the Reserve Forces Policy Board reported: “Because DOD could not rely on existing operation plans to guide its mobilizations it used a modified process that relied on additional management oversight and multiple layers of coordination, which resulted in a process that was slower and less efficient than the traditional process.”<sup>331</sup> As a result of these modifications, the Secretary of Defense signed more than 200 deployment orders for Operation Iraqi Freedom, as compared to fewer than 10 in the first Gulf War.<sup>332</sup>

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“The mobilization process must also move out of the industrial age into the information age. . . . [W]e need to be ready to deploy faster to react more rapidly to threats.”

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In 2004, General Richard B. Myers, Chairman of the Joint Chiefs of Staff, wrote, “The mobilization process must also move out of the industrial age into the information age. Our processes worked fine for the Cold War, but we need to be ready to deploy faster to react more rapidly to threats.”<sup>333</sup> An Air Force representative has suggested to the Commission that the time it takes to approve a mobilization should be reduced.<sup>334</sup> General Robert Magnus testified before the Commission that “[o]ur recent experience with reserve activation policy and practice drives home the importance of building a system that preserves predictably and timely access to reserve capabilities.”<sup>335</sup> In 2007, the Secretary of Defense sought to address such concerns about the time it takes to mobilize the reserve components, but the Secretary of Defense still must be personally notified of each mobilization.<sup>336</sup>

Many entities participate in the mobilization process, such as combatant commanders, who request forces; U.S. Joint Forces Command (JFCOM) and the Joint Chiefs, which have a coordinating function; and numerous other organizations within each service that identify, source, and deploy members. Lieutenant General Bergman asserted at the Reserve Component Chiefs Conference in August 2007 that the mobilization process is taking too long and recommended that service Secretaries, rather than the Secretary of Defense, be allowed to exercise their Title 10 responsibilities to approve mobilization decisions for units scheduled to deploy.<sup>337</sup> The Secretaries of each military department have a statutory responsibility for mobilizing and demobilizing their respective departments.<sup>338</sup>

**Finding:** The service Secretaries are tasked by law with responsibility for the mobilization and demobilization of the reserve components, but their actual authority to undertake those functions has diminished in recent years.

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330 Department of the Army G-3, Operations, Readiness and Mobilization, “The G-3 Mobilization Transformation Study,” July 24, 2003, pp. 5–6.

331 Office of the Secretary of Defense, Reserve Forces Policy Board, “A Summary of Significant Issues, Recommendations and Actions Toward Mobilization Reform,” October 2003, p. 1.

332 Reserve Forces Policy Board, “A Summary of Significant Issues, Recommendations and Actions Toward Mobilization Reform.”

333 General Richard B. Myers, “A Word from the Chairman,” *Joint Force Quarterly*, no. 36 (1st Quarter 2005): 8.

334 MFR on Air Force and Navy mobilization, meeting of CNGR staff with Commander John McCracken, Captain Fred Broussard, and Lieutenant Colonel Trent Dudley, June 20, 2006.

335 General Magnus, Assistant Commandant of the Marine Corps, prepared witness statement before the CNGR, Hearing on Roles and Missions, March 9, 2006 ([www.cngr.gov/hearing308-9/Magnus.pdf](http://www.cngr.gov/hearing308-9/Magnus.pdf)), p. 12.

336 Secretary of Defense, memorandum, “Force Allocation and Reserve Component Alert/Mobilization Decision Process,” May 3, 2007.

337 Lieutenant General Bergman, quoted in MFR, Reserve Component Chiefs Conference, Washington, DC, August 9, 2007, p. 9.

338 10 U.S.C. §§3013(b), 5013(b), 8013(b).



At present, efforts to streamline mobilization are stymied by the numerous document packets necessary to make a mobilization request.<sup>339</sup> Comptroller General David Walker testified before the Commission that “DOD’s mobilization process relied on multiple layers of coordination between services, the Office of the Secretary of Defense, and the Joint Staff to validate, approve, and fill mobilization requirements.”<sup>340</sup>

**Finding:** The mobilization process is time-consuming and involves too many layers of control for a process that is regularly repeated.

**Recommendation:**

49. Service Secretaries should be empowered to exercise their statutory authority to conduct the functions of mobilizing and demobilizing their respective departments. Other DOD organizations should defer to this statutory authority.

***Providing for Adequate Alert Notification***

According to the 2003 *Status of Forces Survey of Reserve Component Members*, only 16 percent of those surveyed reported receiving notification of mobilization more than one month in advance. Seven percent reported from two to four weeks’ notice, 12 percent reported one to two weeks’ notice, 49 percent reported only one to seven days’ notice, and 16 percent of respondents answered that they were given less than 24 hours’ advance notice of mobilization.<sup>341</sup> These survey data were not collected in the 2006 RC *Status of Forces Survey*. However, in 2007, representatives of U.S. First Army briefed the Commission that existing alert notifications create difficulties in the Army mobilization process.<sup>342</sup> The Department of Defense has established in policy a goal to provide reservists a minimum of 30 days’ written notification before they are mobilized for active duty. Under Secretary Chu testified before the House Armed Services Committee, “Our policies stress advance notification to aid in predictability as well as now enabling reservists and their families to take advantage of early access to medical benefits.”<sup>343</sup>

First Army reported to the Commission in 2007 that mobilization orders are not in the reservists’ hands until 30 to 40 days prior to mobilization. Service members therefore are not allowed enough time to receive training and medical or dental treatment before they mobilize. According to information provided by First Army officials, 5 percent of soldiers at mobilization stations are not medically ready and 40 percent are not dentally ready due to a lack of training days to accomplish the medical readiness tasks along with other mobilization requirements. First Army staff reported that an alert order 30 to 40 days prior to mobilization does not “allow enough time to seek dental treatment.”<sup>344</sup> They recommended to the Commission that under the Army Force Generation Model, units scheduled to deploy should be given an alert order one year prior to their deployment.<sup>345</sup>

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339 Presentation of the First Army Tiger Team, “DOD and DA Pre/Post Mob Policy Disconnects/Conflicts/Gaps,” September 20, 2007, p. 12.

340 The Honorable David M. Walker, Comptroller General of the United States, prepared witness statement before the CNGR, Hearing on Impact on Reserve Component Personnel, Compensation Policies, June 21, 2007 ([www.cngr.gov/June%2019-21/Walker%20Statement.pdf](http://www.cngr.gov/June%2019-21/Walker%20Statement.pdf)), p. 17.

341 Defense Manpower Data Center (DOD), *Status of Forces Survey of Reserve Component Members*, May 2003.

342 MFR, CNGR staff visit to First Army, Fort Gillem, GA, June 25, 2007.

343 Under Secretary Chu, statement before the House Armed Services Committee, April 6, 2006, p. 8.

344 MFR, Commission visit to First Army, June 25, 2007, p. 4.

345 MFR, Commission visit to First Army, June 25, 2007, pp. 2–4.

Timely notification is crucial, as Master Sergeant Alphonzo W. Allen explained to the Commission: “Early notification of the deployment was the key to my unit’s success and worked well to prepare my civilian employer for my absence.”<sup>346</sup> Few disagree that this is an important goal, though reservists understand well that it may sometimes be overridden by operational requirements. Short notice causes serious problems for civilian employers, for family members, and for the reservist, who must get his or her personal affairs in order before the mobilization and subsequent deployment.

Responding to these concerns, Congress required in the FY 2008 National Defense Authorization Act that the service Secretaries provide advance notification of “not less than 30 days before the mobilization date, but with a goal of 90 days before the mobilization date.”<sup>347</sup>

**Recommendation:**

50. The military services should provide their members with adequate notice of a mobilization. Until the Army and Marine Corps have fully implemented force generation models for predictability, alert notification for these services needs to occur earlier—one year out—to allow all units sufficient time to train and prepare for deployment.

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“Early notification of the deployment was the key to my unit’s success and worked well to prepare my civilian employer for my absence.”

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## Employing the Reserve Components for Sustaining Global Commitments

Before the onset of the global war on terror, and while it has continued, the services have employed the reserve components routinely in support of global commitments. These operations include peacekeeping operations, state-to-state partnership programs, and reconstruction and humanitarian assistance programs. The services have an ongoing need to use the reserve components to sustain global commitments. While individuals can volunteer for such assignments, it is uncertain whether such voluntary mobilizations can be sustained over an extended period of conflict, during which the same individuals will be asked repeatedly to volunteer. In addition, deployments of longer duration reduce the pool of volunteers available.<sup>348</sup>

Use of individual reserve volunteers is viable for individual missions, but they cannot meet the requirement for cohesive units.<sup>349</sup> It is DOD policy that “for major regional conflicts and national emergencies, access to the Reserve components and individuals through an order to active duty without their consent will be assumed. For lesser regional conflicts, domestic emergencies, and other missions, where capabilities of the Reserve components could be required, maximum consideration will be given to accessing volunteer Reserve component units and individuals[.]”<sup>350</sup> The distinction between these two situations is less than clear, however. As General Schoomaker indicated in a November 2004 interview, “In the old way of thinking, when the light switch was off, you’re at

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346 Master Sergeant Alphonzo W. Allen, Alaska Air National Guard, prepared witness statement before the CNGR, Hearing on National Guard and Reserve Issues, July 19, 2006 ([www.cngr.gov/July%2019/Allen%20Testimony.doc](http://www.cngr.gov/July%2019/Allen%20Testimony.doc)), p. 2.

347 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §515(a).

348 Lieutenant General Bradley, prepared statement, July 19, 2006, p. 23.

349 Department of Defense, “Total Force Policy Interim Report to Congress,” September 1990, p. 11.

350 Department of Defense Instruction 1235.12, “Accessing the Ready Reserves,” January 19, 1996, pp. 2–3.

peace. If the light switch is on, you're at war. Now life is more like a rheostat, [with war] always on a little bit. Unfortunately, our opponents control the rheostat. They turn it up; we turn it down."<sup>351</sup>

Lieutenant General Dennis McCarthy (retired), writing in *Joint Force Quarterly*, argues that the mobilization of the reserve components is an intentionally rigid process, with its "on or off" switch used to bring about civilian participation in a war or national emergency. This rigid process, he says, is ill suited to employing reserve components over an extended period of time during which members switch back and forth between active duty and their civilian careers. Lieutenant General McCarthy instead has advanced the concept of a continuum of service in which mobilization is a "rheostat" that is adjusted to the operational tempo of the services.<sup>352</sup> This continuum could be achieved through a service contract that provides for increased participation.

On an individual basis under 10 U.S.C. §12301(d), a reserve component member can volunteer to be mobilized. There are no restrictions in the statute on the number of service members that may be mobilized in this way or on the length of their service. Nor are there requirements to report to Congress on how they are utilized. However, a number of other provisions do limit how volunteers are used. For example, a member of the National Guard can volunteer to be mobilized only with the consent of his or her governor, "or other appropriate authority of the State concerned."<sup>353</sup> Services must budget for these volunteers against their active component end strength if the members stay on active duty longer than three out of four years (as discussed in Chapter III). Another limitation on voluntary mobilization appears in DOD Directive 1235.10: "Volunteer RC individuals may be activated so long as the readiness of their parent Reserve unit is not degraded below the levels required to meet COCOM [combatant command] requirements unless the Chairman of the Joint Chiefs of Staff determines that the unit shall not be required as a unit or capability for subsequent deployments to other areas of potential crisis."<sup>354</sup>

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"In the old way of thinking, when the light switch was off, you're at peace. If the light switch is on, you're at war. Now life is more like a rheostat, always on a little bit. Unfortunately, our opponents control the rheostat. They turn it up; we turn it down."

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The Navy and Air Force make extensive use of individual voluntary mobilizations. Admiral John G. Cotton informed the Commission that the Navy "rel[ies] heavily on volunteerism and will continue to do so. We always try to find volunteers to fill requirements. In fact, a large portion of the cross-leveling of units is being done with volunteers."<sup>355</sup> In December 2006, Secretary of the Air Force Michael W. Wynne explained to the Commission that "the Air Force resources, equips, trains and inspects our Guard and Reserve to the highest possible levels. This strategic choice, made years ago by Air Force leaders, gives us an immediate 'ready-to-deploy' capability and contributes to our ability to maximize volunteerism and minimize mobilization."<sup>356</sup> Lieutenant General Craig McKinley of the Air National Guard testified before the Commission in July 2006 that "[s]ince 9-11, over 38,000 Air National Guard members have been mobilized and approximately 60,000 volunteered

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351 General Peter Schoomaker, Army Chief of Staff, "The Army's Challenge," interview by Tom Philpott, *Military Officer*, October 2004 ([www.moaa.org/magazine/November2004/f\\_schoomaker.asp](http://www.moaa.org/magazine/November2004/f_schoomaker.asp)).

352 Lieutenant General Dennis M. McCarthy, USMCR, "The Continuum of Reserve Service," *Joint Force Quarterly*, no. 36 (1st Quarter 2005): 31.

353 10 U.S.C. §12301(d).

354 DOD Directive 1235.10, "Activation, Mobilization, and Demobilization of the Ready Reserve," p. 3.

355 QFR, Vice Admiral Cotton, Chief of the Naval Reserve, answers submitted to the CNGR July 19, 2006, question #24.

356 Secretary Wynne and General Moseley, prepared statement, December 14, 2006, p. 10.

for deployment. Thousands have served on multiple deployments.”<sup>357</sup> Lieutenant General Bradley wrote in 2006 that tour lengths for the Air Force’s air and space expeditionary force were “increasingly hitting 120 days or longer, making them difficult for Reservists to fill.”<sup>358</sup> In 2007 these deployments began stretching to six months.

John Truesdell, the Deputy Assistant Secretary of the Air Force for Reserve Affairs, testified concerning Air Force volunteers, “There are two concerns with multiple call-ups and high ops tempo: ‘first the sustainability for both reservists and employers during multiple call-ups, where reservists are trying to serve two masters.’ Second if we are going to use the Guard and Reserve in this fashion of multiple extended call-ups, then Congress needs to address the compensation package that goes along with this service.”<sup>359</sup>

**Finding:** Individual volunteerism, while admirable, is not a sustainable means to provide access to the reserve component units that the services require.

### *Instituting Contract-Based Service*

Contract-based mobilization allows reserve component members to serve annually on active duty above their annual training requirements and also to plan their active duty service several years in advance. The 2006 Quadrennial Defense Review directed that “the Military Departments will explore the creation of all-volunteer reserve units with high-demand capabilities, and the Military Departments and Combatant Commanders will expand the concept of contracted volunteers.”<sup>360</sup>

The Office of the Assistant Secretary of Defense for Reserve Affairs commissioned a study of contract-based service, and its implementation has started with a single unit in the Marine Corps and the Navy.<sup>361</sup> The Army has also begun standing up a similar pilot program, called the Army’s Rapid Response Reserve Unit (R3U).<sup>362</sup> Having an established variable participation reserve unit (VPR-U) would enable combatant commanders who need reserve component capabilities to access them without administrative and procedural delays.<sup>363</sup> By mobilizing a VPR-U, a military service could bring to active duty a specific capability while maintaining unit integrity. Members of a VPR-U know what service is expected, and this information can be shared by each service member with his or her family and employer. Lieutenant General Odierno spoke to the Commission in favor of this approach, noting that “[w]hile we continue to maximize the use of volunteers, creating new type units may be a way of tailoring service for those who choose to commit to serving more.”<sup>364</sup>

The Army Reserve describes its Ready Response Reserve Units in its FY 2007 Posture Statement:

R3Us will serve for more than the traditional 39 days per year or may be used repetitively as voluntary units in accordance with current laws and Department of the Army policy. Units that participate as R3Us may not only be short-notice deploying units but may also be used to improve the readiness of Army units and Soldiers for deployment.

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357 Lieutenant General McKinley, prepared statement, July 19, 2006, p. 5.

358 Lieutenant General John A. Bradley, “An Unrivaled Wingman: Air Force Reserve Vision,” *Joint Force Quarterly*, no. 43 (4th Quarter 2006): 21.

359 Deputy Assistant Secretary Truesdell, prepared statement, April 12, 2007, p. 13.

360 *Quadrennial Defense Review Report* ([Washington, DC: Department of Defense], 2006), p. 77.

361 DFI International, “Variable Participation of Reservists at the Unit Level: Concept Report,” prepared for the Office of the Deputy Assistant Secretary of Defense for Reserve Affairs (Readiness, Training, and Mobilization), September 2005, p. v.

362 Assistant Secretary James, letter to Chairman Punaro, p. 14.

363 DFI International, “Variable Participation of Reservists at the Unit Level: Concept Report,” p. v.

364 Lieutenant General Odierno, prepared statement, March 8, 2006, p. 11.

A test of the R3U concept has been proposed for fiscal years 2008 and 2009. The Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA M&RA) and the Army Reserve have identified three categories of units to test in the pilot program: Early Entry Operations, Known Surge Operations, and Sustainment Operations. As the lead for the test, the Army Reserve will develop processes and gather “lessons learned” that will improve the readiness of the entire Army.<sup>365</sup>

**Finding:** DOD and the services are exploring contract-based service agreements to augment existing mobilization statutes. Such contracts further DOD’s goal of enabling enhanced participation by reserve component service members. Even in its limited form, this concept has never been fully implemented.

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“ . . . while we continue to maximize the use of volunteers, creating new type units may be a way of tailoring service for those who choose to commit to serving more.”

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The use of voluntary service agreements, or contracts, could promote predictability in accessing the reserve components. A reservist would serve on active duty for agreed-on periods of time at set intervals and have a much clearer understanding of his or her service obligations. Service members would still be subject to the involuntary mobilization process if called on during a national emergency or war. At all other times, this mechanism would enable the services to allocate additional resources to a unit that commits to a higher level of operational tempo, with assured access to the unit.

Recognizing the gap between voluntary mobilizations and the current set of involuntary mobilization authorities, CSIS endorsed the effort “to develop an ‘intensive reserve’ that enables RC members to serve above and beyond once every five to six years and to leverage personnel in key specialty areas. DoD should give priority to expanding the number and type of variable participation of reservists at the unit level (VPR-U) pilot programs underway and should consider offering enhanced compensation for those willing to sign contracts obligating them to additional service.”<sup>366</sup> The State Department is relying on such a contract as it establishes the Civil Reserve Corps. According to the State Department, “Civilian reservists will enter into an agreement with the Department of State to serve for 4 years, during which time they will be expected to deploy for one year.”<sup>367</sup>

Each service could devise contracts based on the unit or on military occupational specialty with a minimum deployment schedule. A Navy representative briefed the Commission about the service’s Operational Reserve Working Group and its efforts to develop the authority available to activate members through a contract committing them to more than 39-days-a-year participation.<sup>368</sup> This initiative reflects the Navy Reserve’s vision of a fully integrated fleet with a “total workforce” in which work and responsibilities are assigned “across workforce components based on performance expectations, operational risk and cost.”<sup>369</sup> Such a model could be used as needed by each service to obtain access to specific skills in the reserve components, to conduct additional training, or to mobilize specific units. It might also help the services access the civilian-acquired skills resident in the reserve components.

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365 *Army Posture Statement* (2007), p. 12.

366 Wormuth et al., *The Future of the National Guard and Reserves*, pp. xiii–xiv.

367 Department of State, “Civilian Reserve Corps Overview,” August 2007, p. 2.

368 MFR on Air Force and Navy mobilization, meeting of CNGR staff with Commander John McCracken, Captain Fred Broussard, and Lieutenant Colonel Dudley, June 20, 2006, p. 3.

369 Vice Admiral J. G. Cotton, USN, memorandum for Navy Reserve, “Navy Reserve Strategic Plan,” October 20, 2006, p. 4.



Under this plan, a service member would enlist or receive a commission and agree at that time to serve a period on active duty with his or her unit. For example, an Army National Guard unit might agree to serve one year in six on active duty, or a Navy officer might commit to a one-month-a-year deployment, based on his or her specialization. Such agreements could be included in an enlistment or commissioning contract or at a later date after a service member has obtained a specific skill or joined a specific unit. Having volunteered to go on active duty under a contract, service members would be trained and equipped to meet this commitment. Another advantage of a contract is that it would enable a service to stabilize personnel when alerted. Each service member would then be able to inform his or her employer and spouse as to these contractual obligations and could plan accordingly. This approach would help provide predictable and assured access to the reserve components.

There is existing statutory authority for establishing such service agreements under 10 U.S.C. §12311(a). The statute allows for a “standard written agreement with members of the reserve component for periods of active duty not to exceed five years.”<sup>370</sup> Language to enhance predictability through contract-based service was suggested by DOD—though not taken up by Congress—for the National Defense Authorization Act for Fiscal Year 2008.<sup>371</sup>

In 2007, the Reserve Forces Policy Board advanced a viable contract-based service concept and drafted language for a pilot program. Its program would authorize the development of a set of incentives, such as a lump-sum payment, small business loan assistance, or installment payments that could be issued to a member of the Ready Reserve as part of an active duty service agreement. Each contract would specify the duty to be performed.<sup>372</sup> As members of the Selected Reserve, those under contract would still be subject to involuntary mobilization under the President’s authority and would have to meet their annual training requirements.

Current mobilization statutes and policies were intended to generate reserve component forces needed to augment and backfill the active force in times of war or national emergency, not to manage their routine employment on an ongoing basis. The work of DOD to establish contract-based service agreements offers a promising approach to gaining assured access to the reserve components.

**Recommendation:**

51. a. Congress should update 10 U.S.C. §12311 to provide for contract-based service agreements for units and individuals of the reserves.
- b. DOD should employ a contract-based service and incentive system to ensure access to the reserve components and to provide predictable and sustainable activations.
- c. The services should expand the number of variable participation reserve units.
- d. The contract-based system of assured availability recommended here should form the basis of accessing the Operational Reserve category outlined in Recommendation #86.

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370 Public Law 82-476, *Armed Forces Reserves Act of 1952*, §235(a).

371 H.R. 1585, the National Defense Authorization Act for 2008, as introduced by request of DOD into the House March 20, 2007, p. 41 (SEC. 522. ENFORCEMENT OF VOLUNTARY SERVICE AGREEMENTS).

372 Reserve Forces Policy Board, draft legislation, “Sec. \_\_\_\_\_. Temporary Authority to Conduct Pilot Programs,” July 18, 2007.

## V. SUPPORTING SERVICE MEMBERS, FAMILIES, AND EMPLOYERS

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In its authorizing legislation, enacted in October 2004, the Commission was tasked to assess “the adequacy and appropriateness of the compensation and benefits currently provided for the members of the National Guard and the other reserve components, including the availability of health care benefits and health insurance.”<sup>1</sup> Since that time, Congress has made a number of improvements in the compensation and benefits, including health care, provided to reserve component members. Congress has, for example, approved a reserve component critical skills bonus and permitted the Secretary of Defense to waive the 25 years of service limitation on eligibility for that bonus,<sup>2</sup> expanded high-priority unit assignment pay,<sup>3</sup> consolidated special and incentive pays and bonus authorities,<sup>4</sup> improved the housing allowance,<sup>5</sup> provided health care benefits for all Selected Reserve members and their families,<sup>6</sup> and authorized payment of a stipend to continue civilian health plan coverage for an activated reservist’s dependent with special health care needs.<sup>7</sup>

The Commission examined remaining disparities in compensation and benefits and evaluated the availability and user-friendliness of the DOD health care program (TRICARE) for reserve component families. In addition, the Commission paid particular attention to two major influencers of the reserve component member’s decisions about enlistment, participation, and retention: families and employers.

The ability of reserve component families to receive medical care when a service member is activated (so-called continuity of care) remains a major worry for reserve component families, because civilian providers often do not participate in TRICARE and because for many family members, particularly those new to the military, TRICARE is difficult to navigate and not user-friendly.

Numerous serious shortcomings have been identified in the health care provided to injured service members, including inadequate case management, delays and inconsistencies in the disability determination process, lack of coordination between the Department of Defense and the Department of Veterans Affairs, and inadequate processes for assessing such grave conditions as post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI).

Moreover, although employer support is critical to recruiting and retaining a quality reserve force, the Department of Defense has not taken sufficient steps to recognize the vital role that employers play, such as providing them with greater predictability in their employees’ deployments and creating a stronger partnership between employers and senior-level decision makers within DOD. There continue to be reports that employer support is waning.

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and the Servicemembers Civil Relief Act (SCRA) are legal protections created and enacted by Congress

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1 Public Law 108-375, *National Defense Authorization Act for Fiscal Year 2005*, October 28, 2004, §513(c)(2)(G)(i).

2 Public Law 109-163, *National Defense Authorization Act for Fiscal Year 2006*, January 6, 2006, §640(c); House Report 110-477, Conference Report to accompany H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, 100th Cong., 1st sess., December 6, 2007, §622.

3 Public Law 109-163, *NDAA for FY 2006*, §632.

4 House Report 110-477, accompanying H.R. 1585, *NDAA for FY 2008*, §§661–662.

5 Public Law 109-163, *NDAA for FY 2006*, §610.

6 Public Law 109-364, *National Defense Authorization Act for Fiscal Year 2007*, October 17, 2006, §706.

7 House Report 110-477, accompanying H.R. 1585, *NDAA for FY 2008*, §704.

specifically for reserve component members. In meetings with stakeholders and at public hearings, the Commission was asked to review both USERRA and the SCRA and determine if there was a need to suggest changes to the laws.

**Conclusion Five: To maintain an operational reserve force over the long term, DOD must appropriately support not only the service members themselves but also the two major influencers of members' decisions to remain in the military—their families and employers. Significant improvements in current programs in all three areas are essential to sustain an operational reserve force both today and in the future.**

## A. COMPENSATION

As mentioned above, Congress has made numerous improvements to reserve component compensation programs. In this report, the Commission has focused on three compensation issues that affect every reservist: full basic allowance for housing, reimbursement for travel directly to and from inactive duty training, and educational opportunities accessed by using the Montgomery GI Bill for the Selected Reserve. The Commission has also identified other issues worthy of consideration in the future, as laws and policies are updated to better reflect 21st-century use of an operational reserve component.

As discussed in Chapter III, the existing drill pay structure will need to be revised as part of the reduction to two duty status categories. During the transition period, DOD as well as Congress will also need to conduct a comprehensive review of other compensation and personnel policy issues to ensure that reserve component members are treated equitably both during the transition and after full implementation.

To assist in its analysis of reserve compensation, the Commission contracted with the Federal Research Division (FRD) of the Library of Congress to conduct a review of reserve compensation issues, and it received “Comparison of Pay and Benefits Eligibility for Active-Duty Personnel and National Guard and Reserve Personnel on Active Duty” in March 2007.<sup>8</sup> Concerned about potential disparities with respect to reserve component members in an inactive duty training status, the Commission requested a follow-up report on inactive duty, which was received in September 2007.<sup>9</sup> The Commission wanted to ensure that no inconsistent treatment remained that disadvantaged reserve component members, particularly in those components that were combining active duty training and inactive duty training days to provide operational support missions for their parent service. For example, according to a Wexford Group International study, additional flight training periods (AFTPs) make up 18 percent of both the Air Force Reserve and Air National Guard inactive duty training (IDT) budgets and “are often used singly, in pairs or in combination with other IDT to support Active Component missions.”<sup>10</sup>

Current DOD policy, most recently articulated in guidance issued by Under Secretary of Defense for Personnel and Readiness David S. C. Chu on March 15, 2007, states that “[n]o member shall be in an inactive duty training status (IDT) in a designed Imminent Danger Area/Hostile Fire Area,

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8 Federal Research Division (FRD), Library of Congress, “Comparison of Pay and Benefits Eligibility for Active-Duty Personnel and National Guard and Reserve Personnel on Active Duty,” March 2007.

9 Federal Research Division, Library of Congress, “Benefits and Allowances for Military Personnel in Inactive-Duty Training Status,” September 2007.

10 Wexford Group International, *Reserve Component Military Duty Status Study*, prepared for the Office of the Assistant Secretary of Defense (Reserve Affairs), Task 4 Report, January 15, 2002, p. 24.

as prescribed in DODI [DOD Instruction] 1215.19[.]”<sup>11</sup> Some have questioned whether that policy is being strictly adhered to, however. FRD’s analysis determined that there was no statutory bar to reserve component members on inactive duty training being eligible for hostile fire and imminent danger pay, but noted that such payment had been prohibited by Chapter 10, volume 7A, of the Department of Defense Financial Management Regulation until a modification was made between the October 2003 and February 2006 editions of Chapter 10.<sup>12</sup> DOD will need to readdress current policy guidance and regulations to ensure equitable treatment of reserve component members.

In addition, in a March 2004 report DOD identified several problems affecting the payment of a survivor benefit plan annuity to survivors of reserve component members who die in an inactive duty training status.<sup>13</sup> Congress further revised the program in 2004,<sup>14</sup> but FRD identified a remaining issue with respect to the computation of the benefit itself.<sup>15</sup> FRD also observed that a similar calculation problem affects other benefits that are based on pay grade and service time, citing disability severance pay as an example.<sup>16</sup>

Elsewhere in statute, the threshold for family members’ receiving medical benefits under TRICARE is crossed when the service member has been on active duty for a period of 30 days or more.<sup>17</sup> As discussed later in this chapter, although Congress has made some modifications to TRICARE eligibility with special programs like the 90-day pre-activation benefit, the basic eligibility requirements remain unchanged. The Commission has made a number of recommendations to improve the TRICARE program and provide greater continuity of care for family members, but DOD will also need to address the possibility of modifying the 30-day eligibility rule as it devises its transition and implementation plans for reducing duty status categories.

In the following recommendations, the Commission has attempted to make certain that active and reserve component service members performing comparable duties are equitably compensated and has sought to close remaining gaps, such as different basic allowance for housing rates. The Commission urges DOD and Congress to regularly review pay and benefit levels to ensure that reserve personnel are appropriately compensated for their service. The Commission notes, for example, that all the services offer tuition assistance to their active component members, but several do not offer similar benefits to reserve component members.<sup>18</sup> In the National Defense Authorization Act for Fiscal Year 2008, Congress expanded the authority for payment of tuition assistance for members of the reserve components and required a report on usage of the program by

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... sustaining the operational use of the National Guard and Reserves will require continuing diligence in the areas of pay, health care, and other personnel benefits.

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11 Under Secretary Chu, memorandum for Secretary of the Army, Navy, and Air Force, “Revised Mobilization/Demobilization Personnel and Pay Policy for Reserve Component Members Ordered to Active Duty in Response to the World Trade Center and Pentagon Attacks—Section 1,” March 15, 2007, p. 10.

12 FRD, “Benefits and Allowances for Military Personnel in Inactive-Duty Training Status,” p. 11.

13 *Department of Defense Report to Congress: Reserve Personnel Compensation Program Review* ([Washington, DC]: Office of the Under Secretary of Defense for Personnel and Readiness, 2004), pp. 37–38, 47–48; hereafter cited as *Reserve Personnel Compensation Program Review*.

14 Public Law 108-375, NDAA for FY 2005, §641.

15 FRD, “Benefits and Allowances for Military Personnel in Inactive-Duty Training Status,” p. 4.

16 FRD, “Benefits and Allowances for Military Personnel in Inactive-Duty Training Status,” p. 12.

17 10 U.S.C. §1076.

18 “Tuition Assistance (TA) Program Overview,” Military.com Education (<http://education.military.com/money-for-school/tuition-assistance/tuition-assistance-ta-program-overview>).

members of both the regular and reserve components.<sup>19</sup> The Commission believes that sustaining the operational use of the National Guard and Reserves will require continuing diligence in the areas of pay, health care, and other personnel benefits.

## Housing and Travel Issues

In Senate Report 107-151, which accompanied the National Defense Authorization Act for Fiscal Year 2003, the Senate Armed Services Committee directed the Department of Defense to conduct a comprehensive review of compensation for reserve personnel in light of the large-scale activation of national guardsmen and reservists for Operations Enduring Freedom and Iraqi Freedom. The committee report noted, “Today’s total force concept, which relies heavily on National Guard and Reserve forces for both day-to-day and contingency operations, differs from that envisioned by the designers of the reserve compensation and retirement systems more than a half-century ago.”<sup>20</sup> Indeed, some portions of the structure are much older,<sup>21</sup> though Congress has made a number of updates, such as the 1986 restructuring of pay, allowances, and benefits for members of the reserve component on active duty for a period of 30 days or less,<sup>22</sup> as well as changes recommended by the reserve component–focused Sixth Quadrennial Review of Military Compensation (1988).<sup>23</sup> As directed by the Senate, DOD provided a report to Congress, titled *Reserve Personnel Compensation Program Review*, on March 15, 2004.

### *Basic Allowance for Housing (BAH)*

The DOD report identified the difference between the basic allowance for housing (BAH) rates for reserve component members serving on active duty for less than 140 days and the rate for those serving 140 days or more as a funding-driven disparity impeding a seamless flow from reserve to active duty status.<sup>24</sup> Section 610 of the National Defense Authorization Act for Fiscal Year 2006 reduced the threshold for paying full BAH to 30 days. Members on active duty for less than 30 days, unless ordered to serve in support of a contingency operation, receive Basic Allowance for Housing Type II, which does not vary by location and is generally a lower rate. The estimated annual cost to remove the 30-day threshold is \$63.5 million.<sup>25</sup>

As DOD noted, “When the 140-day threshold was established 20 years ago, Reservists were employed in a significantly different manner than they are today. Over the past decade, Reserve component members have become an integral part of most operations and missions[.]”<sup>26</sup> The same rationale used by Congress in reducing the 140-day threshold applies to the remaining 30-day

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19 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §§521, 533.

20 Senate Report 107-151, on the National Defense Authorization Act for Fiscal Year 2003, 107th Cong., 2nd sess., May 15, 2002, p. 328.

21 *The Military Compensation Background Papers*, 6th ed. (published under the auspices of the Under Secretary of Defense (Personnel and Readiness), May 2005), observes that the current drill pay structure of one-thirtieth of base pay of reservists’ grade for each regular drill attendance, enacted by Public Law 242, 66th Congress, dated June 4, 1920, continues basically unchanged in existing law today (p. 235).

22 Public Law 99-661, *National Defense Authorization Act for Fiscal Year 1987*, November 14, 1986, §604.

23 “Many recommendations of the *Sixth QRMC* were adopted by Congress, including a muster allowance, benefits for ‘gray area’ retirees, statutory authorization of the Delayed Enlistment Program, revised medical special pay, bonus test programs, an improved system of incapacitation pay, and amendments to the Soldiers’ and Sailors’ Civil Relief Act” (*Military Compensation Background Papers*, p. 1063).

24 *Reserve Personnel Compensation Program Review*, p. 46.

25 Memorandum for the Record (MFR), CNGR staff meeting with Tom Bush, Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA), April 7, 2006.

26 *Reserve Personnel Compensation Program Review*, p. 22.



threshold; there is no logical reason to maintain this distinction, particularly if duty status categories are reformed as recommended in Chapter III of this report.

**Finding:** Current law that limits eligibility for basic allowance for housing only to members on active duty for 30 days or more creates a disparity that impedes implementing a continuum of service.

### ***Inactive Duty Training (IDT) Travel Reimbursement***

During the Commission's hearing on June 15, 2006, the Reserve Component Senior Enlisted Advisors expressed concern about the out-of-pocket costs incurred by reservists for travel to locations for inactive duty training (commonly referred to as drill duty).<sup>27</sup> There is evidence that this problem has been exacerbated by base realignments and closures, forcing some reserve component service members to travel "350 to 400 miles" to reach the installations at which they train.<sup>28</sup> As noted in *The Joint Federal Travel Regulations*,<sup>29</sup> no service is allowed to pay its members for travel to assigned IDT locations. Payment is authorized only when a service member is traveling on official business after arriving at the IDT location or if a service member is traveling to an alternate duty site to perform IDT. In the second case, a service member is reimbursed only for the difference in mileage between the regular duty site and the alternate duty site, since "the member is financially responsible for travel from home to the assigned unit."<sup>30</sup>

In meetings with Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA) staff, Commission staff asked for data detailing the cost of reimbursing reserve component members for their IDT travel. DOD provided the following cost estimate for one fiscal year, broken down according to mileage:

> 50 miles:	\$130 million
> 100 miles:	\$90 million
> 150 miles:	\$68 million
> 200 miles:	\$52 million <sup>31</sup>

**Finding:** The Department of Defense does not provide reimbursement to any reserve component member traveling directly to and from IDT.

**Finding:** Funding IDT travel reimbursement for travel over 50 miles is not cost-prohibitive.

### ***Congressional Action***

The National Defense Authorization Act for Fiscal Year 2008 includes a provision making payment for IDT travel available to reserve component members. The provision's coverage is not universal, however. To be reimbursed, reserve component members must be serving in a listed specialty, traveling a distance outside the regular commuting limits of their station, and traveling to training that

27 CNGR, Hearing on National Guard and Reserves, transcript of June 15, 2006, hearing ([www.cngr.gov/hearing615/transcript2.pdf](http://www.cngr.gov/hearing615/transcript2.pdf)), pp. 86, 89, 97.

28 CNGR, transcript of June 15, 2006, hearing, p. 97.

29 *The Joint Federal Travel Regulations (JFTR)*, vol. 1, *Uniformed Service Members*, U7150, July 1, 2007 pp. U7G-5 to U7G-6.

30 *JFTR*, vol. 1, *Uniformed Service Members*, pp. U7G-5 to U7G-6. Mileage is calculated using the official DOD Table of Distance, <https://secureap2.hqda.pentagon.mil/perdiem/>.

31 MFR, CNGR staff meeting with Tom Bush, April 7, 2006; Tom Bush, e-mail to CNGR staff, August 15, 2007.

is necessary for mission readiness. Reimbursement cannot exceed \$300 and is available only from October 1, 2008, to December 31, 2014.<sup>32</sup>

The Congressional Budget Office has estimated the cost to DOD of implementing and administering this program at \$25 million in 2009 and \$100 million over the 2009–12 period. Its study adds, “Based on information from DOD, CBO expects that DOD would use this authority to provide travel allowances to certain skilled personnel who are needed to maintain appropriate experience levels in units affected by force restructuring.”<sup>33</sup>

**Finding:** Because of a number of factors, including decisions arising from the Base Closure and Realignment Commission process to close military bases, reserve military commanders find it increasingly challenging to recruit and retain qualified personnel, particularly for leadership positions, who all live near their training locations.

### *Review of Each Service’s Current Practice Regarding Lodging*

Often the subject of IDT travel reimbursement is folded into accommodations or lodging reimbursement. The issues are separate, however. Travel reimbursement is concerned solely with the service member’s cost of getting from home to IDT.

Although DOD does not allow for travel reimbursement, its policy is “to provide Reserve component personnel who travel more than 50 miles from the member’s residence to perform active duty or inactive duty training with billeting.”<sup>34</sup> DOD gives each service Secretary the “discretionary authority to provide Reserve component members who are performing active duty or inactive duty training and are not otherwise entitled to travel and transportation allowance with lodging in kind . . . when transient Government housing is not available.”<sup>35</sup>

The handling of these reserve component members once they have arrived at IDT differs from service to service.

*U.S. Army.* Army guidance dictates that travel between 50 and 100 miles to IDT is a reasonable commuting distance for soldiers; if traveling 100 miles to IDT, enlisted soldiers are provided only quarters at the training site.<sup>36</sup> The Army Reserve sometimes provides lodging in kind, though owing to lack of funding this authority is used sparingly.<sup>37</sup> The Army National Guard (ARNG) “initiated a pilot project [in 2005] in sixteen states to provide lodging for 16,400 soldiers when in IDT status and traveling more than 50 miles from their home.”<sup>38</sup> Currently, the ARNG is providing lodging for 19,000 soldiers from 16 states.<sup>39</sup>

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32 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §631.

33 Congressional Budget Office, “Cost Estimate: H.R. 1585, National Defense Authorization Act for Fiscal Year 2008,” June 12, 2007, p. 4.

34 Department of Defense Instruction 1225.9, “Billeting for Reserve Component Members,” December 17, 2001, p. 2; 10 U.S.C. §12604.

35 DOD Instruction 1225.9, “Billeting for Reserve Component Members,” p. 2. On lodgings in kind, see 37 U.S.C. §404(i).

36 Questions for the Record (QFR), the Honorable Ronald J. James, Assistant Secretary of the Army, Manpower and Reserve Affairs (ASA-MRA), answers submitted to the CNGR June 21, 2007, p. 11.

37 QFR, Lieutenant General Jack C. Stultz, USA, Chief, U.S. Army Reserve, answers submitted to the CNGR December 4, 2006, pp. 5–6.

38 QFR, Assistant Secretary James, p. 11.

39 Robert Smiley, Office of the Assistant Secretary of the Army, Manpower and Reserve Affairs (ASA-MRA), telephone conversation with CNGR staff, September 5, 2007.

*U.S. Navy.* The Navy Reserve provides “commercial berthing for all members who reside in excess of a 50 mile radius” from the IDT location. As part of the Inactive Duty Training Travel program, the Navy “provides members the opportunity to drill with their supported command vice at their local permanent drill site. In this program, members are issued travel orders with full travel and per diem.”<sup>40</sup>

*U.S. Air Force.* Air Force policy provides Air Force Reserve personnel with lodging whether they are “unit-assigned Reserve personnel in an IDT status at unit of assignment” or “unit-assigned Reserve personnel in an inactive duty for training (IDT) status away from unit of assignment.”<sup>41</sup>

The Air National Guard provides “contract lodging for members who stay overnight between Inactive Duty training periods if they meet established mileage requirements (established by the unit/wing).”<sup>42</sup>

*U.S. Marine Corps Reserve.* The Marine Corps Reserve provides lodging for those performing IDT under the following conditions: “Members must reside outside a 50-mile radius from the site at which authorized drills are performed [and] [t]he commercial billeting program provides for overnight lodging only; it does not provide for meals.”<sup>43</sup>

*U.S. Coast Guard Reserve.* The Coast Guard Reserve provides “government berthing or [reimbursed lodging] expenses, contingent on funds available [to those reserve members who] travel more than 50 miles and/or are required to leave home before 0545 or depart after 2100 in the course of performing their required duties.”<sup>44</sup>

In official replies to the Commission, all responding reserve components said that reimbursement for travel to and from IDT would have a positive effect on their troops.<sup>45</sup> Moreover, should such travel reimbursement for IDT be allowed, they would like full discretionary authority to grant them.

#### Recommendations:

52. Congress should eliminate the ordered-to-active-duty-for-more-than-30-days requirement for receipt of full basic allowance for housing.
53. Congress should provide the service Secretaries with discretionary authority, delegable to the reserve component Chiefs, to reimburse service members for travel expenses in excess of 50 miles to participate in what are currently called drill periods. In addition, using existing authority, the services should budget for and provide lodging to each reserve component member who travels more than 50 miles from his or her residence to perform inactive duty training.

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40 QFR, Vice Admiral John G. Cotton, USN, Chief, U.S. Navy Reserve, answers submitted to the CNGR September 26, 2006, p. 4. Inactive duty training and annual training are combined in order to give the USNR the authority to provide lodging (MFR, Vice Admiral Cotton, remarks at RC Chiefs’ dinner with CNGR Commissioners, June 19, 2007).

41 Air Force Instruction 34-246, “Air Force Lodging Program,” May 17, 2001, pp. 6–7.

42 QFR, Lieutenant General Craig McKinley, USAF, Director, Air National Guard, answers submitted to the CNGR November 20, 2006, p. 4.

43 Marine Corps Order P11000R.20, “Real Properties Facilities Manual,” June 23, 1989, chapter 7, p. 7-4.

44 QFR, Rear Admiral John C. Acton, USCG, Deputy LANTAREA [Atlantic Area] Commander for Mobilization and Reserve Affairs, answers submitted to the CNGR December 7, 2006, p. 6.

45 See answers to QFRs submitted to the CNGR: Lieutenant General Stultz, pp. 5–7; Lieutenant General John A. Bradley, USAF, Chief, U.S. Air Force Reserve, December 7, 2006, pp. 8–9; Lieutenant General Craig McKinley, USAF, Director, Air National Guard, November 20, 2006, pp. 4–5; Lieutenant General J. W. Bergman, USMCR, Commander, Marine Forces Reserve, October 24, 2006, pp. 7–8; Rear Admiral Acton, p. 6; Assistant Secretary James, pp. 11–12; the Honorable William A. Navas, Jr., Assistant Secretary of the Navy, Manpower and Reserve Affairs (ASN-MRA), June 29, 2007, pp. 12–13.

## The Montgomery GI Bill

Information about current law is provided succinctly in DOD's March 2004 report to Congress, *Reserve Personnel Compensation Program Review*.

For active duty service, the Montgomery GI Bill program (MGIB-AD) "is funded and administered by the Department of Veterans Affairs [VA] as a veteran's benefit. . . . [T]he primary purpose of the active duty program . . . is to provide educational assistance for members readjusting to civilian life after they separate from military service."<sup>46</sup>

The program . . . is codified in [38 U.S.C., Chapter 30] and provides benefits for members who elect to participate in the program by contributing \$1,200 through basic pay reductions during the first twelve months of active duty, and serve continuously on active duty for at least three years in the case of a member whose obligated period of active duty is for three years or more, or in the case of a member whose obligated period of active duty is for less than three years, serving continuously on active duty for at least two years. When either of these requirements has been met, the member is then eligible to use MGIB benefits. With some exceptions, the member is eligible to use the educational benefits up to 10 years after the member was last discharged or released from active duty. . . . [I]n a recent enhancement, the active duty program offers the opportunity for a service member to make an additional contribution of up to \$600 for a maximum additional benefit amount of \$5,400.<sup>47</sup>

For Selected Reserve members, the Montgomery GI Bill (MGIB-SR)

is codified in [10 U.S.C., Chapter 1606] and provides education benefits to members who agree to serve for at least six years in the Selected Reserve. Unlike participants in the active duty program, the member is not required to contribute to the program and can begin using benefits immediately upon completion of initial skill training. . . . These requirements illustrate that the Montgomery GI Bill program for the Selected Reserve serves both as a recruiting [and retention] incentive . . . because of the requirement for the member to continue to participate in the Selected Reserve in order to use the benefit. Guard and Reserve members remain eligible for benefits for up to 14 years provided they continue to serve in the Selected Reserve.<sup>48</sup>

The MGIB-SR is funded by DOD and administered by VA.

A separate payment offered in both the MGIB-AD and MGIB-SR programs is known as a "kicker": it is an added benefit provided to "service members who agree to enlist or reenlist in a skill designated as critically undermanned." Reservists participating in this program "must serve in a critical skill or unit during the initial six-year service obligation. After completing the initial six-year service obligation in the critical skill or unit, the reservist retains eligibility for the kicker benefit regardless of specialty or unit assignment. However, the reservist must remain eligible for the MGIB-SR basic benefit in order to receive the kicker benefit."<sup>49</sup> Both the active component and Selected Reserve kicker programs are funded by DOD.

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46 *Reserve Personnel Compensation Program Review*, pp. 17–18.

47 *Reserve Personnel Compensation Program Review*, pp. 17–18.

48 *Reserve Personnel Compensation Program Review*, p. 18.

49 *Reserve Personnel Compensation Program Review*, pp. 46, 17–18.

**Finding:** The Montgomery GI Bill–Selected Reserve benefit was designed as a retention tool that provides educational benefits to reserve component members who continue in a drilling reserve status.

When the Selected Reserve Program began in July 1985, the original legislation set the reserve benefit at 47 percent of the active duty benefit—\$140.00 versus \$300.00—for full-time students.<sup>50</sup> The proportion remained steady, within two percentage points, until 2001.<sup>51</sup> Legislation passed that year significantly increased the benefits provided under the active duty program, causing the reimbursement levels to diverge sharply (see Table V.1). As DOD’s report points out, “The rapid increase in the benefit levels for the active duty program benefits, with no corresponding increase in the Selected Reserve program, has dramatically changed the benefit relationship between the two programs.”<sup>52</sup> The reserve benefit is now only 29 percent of the active benefit. In 2004, in the Reserve Educational Assistance Program (REAP), Congress approved a higher benefit level for reserve component members mobilized for a contingency operation after September 11, 2001.

Table V.1. Comparison of MGIB Rate Increases, 2001–2007

Year	MGIB-AD	MGIB-SR	SR as share of AD (%)
2001	\$672.00	\$272.00	40
2002	\$800.00–\$900.00	\$276.00	35–31
2003	\$985.00	\$282.00	29
2004	\$1,004.00	\$288.00	29
2005	\$1,034.00	\$297.00	29
2006	\$1,075.00	\$309.00	29
2007	\$1,101.00	\$317.00	29

Source: Department of Veterans Affairs, “MGIB Benefit Payment Rates” ([www.gibill.va.gov/GI\\_Bill\\_Info/rates.htm](http://www.gibill.va.gov/GI_Bill_Info/rates.htm)).  
AD = active duty; SR= Selected Reserve.

### *Reserve Educational Assistance Program (REAP)*

Any reserve component member mobilized for 90 consecutive days or more under a contingency operation since September 11, 2001, is eligible for the Reserve Educational Assistance Program, which was signed into law in 2004.<sup>53</sup> This new program is provided at no cost to the service member, and the member must remain in the Selected Reserve to receive REAP. The benefit is pegged to the active duty benefit rate, on a scale that slides according to the length of activation. Those who serve 90 days but less than one year receive 40 percent of the MGIB-AD rate; at least one year but less than two years, 60 percent; and two or more years, 80 percent.<sup>54</sup> Given the current (2007) MGIB-AD assistance of \$1,101.00, this prorating translates into \$404.40, \$661.00, and \$881.00 per month, respectively.

Also, reserve component members who have completed two or more continuous years of activated service can elect instead to participate in the MGIB-AD program. Like their active component coun-

50 Public Law 98-525, *Department of Defense Authorization Act, 1985*, October 19, 1984.

51 Public Law 107-103, *Veterans Education and Benefits Expansion Act of 2001*, December 27, 2001.

52 *Reserve Personnel Compensation Program Review*, p. 18.

53 Public Law 108-375, *NDAA for FY 2005*, §527.

54 Department of Veterans Affairs, “REAP Questions and Answers” ([www.gibill.va.gov/pamphlets/CH1607/REAP\\_FAQ.htm#4](http://www.gibill.va.gov/pamphlets/CH1607/REAP_FAQ.htm#4)).



terparts, those who choose to participate in the MGIB-AD program will have 12 months in which to make the required \$1,200 contribution from their basic pay.<sup>55</sup>

### *Participation*

The December 2006 *Status of Forces Survey of Reserve Component Members* found that 47 percent of its respondents are participating in the MGIB-SR benefit, 14 percent are participating in the MGIB-AD benefit, and 15 percent are participating in REAP. Of those same respondents, 75 percent were either satisfied or very satisfied with their educational benefits; however, 58 percent also said that the studies they were pursuing with the help of one of the three benefits were interrupted by activation.<sup>56</sup> To address that problem, some have suggested legislation to permit reserve component members to use their MGIB-SR benefits after their discharge from service.<sup>57</sup> This would be a change from the original intent of the MGIB-SR program, which was designed to encourage retention, but it would allow activated service members to complete their program of education.

From fiscal year 2002 to fiscal year 2006, a total of 500,587 reserve component members have participated in the MGIB-SR program. In fiscal year 2006 alone, a total of 25,278 reservists participated in REAP.<sup>58</sup>

**Finding:** Over the past several years, more than half of reserve component members using a reserve educational benefit (including the MGIB-SR) were unable to continue their education because they were activated.

### *Congressional Action*

Numerous bills have been introduced in the 110th Congress dealing with changes to the current MGIB benefit, in both its active and reserve versions. Among the proposed changes are tying increased payments of educational assistance to certain higher education degree programs, recodifying the MGIB-SR benefit from Title 10 to Title 38 (thereby moving its jurisdiction from the Senate and House Armed Services Committees to the Senate and House Veterans Affairs Committees), increasing the amount of the MGIB-SR benefit, and creating an entirely new benefit within Title 38 specifically for those active and reserve members mobilized and deployed after September 11, 2001.<sup>59</sup>

Most recently, the National Defense Authorization Act for Fiscal Year 2008 includes enhancements to the current REAP benefit. Those reservists participating in REAP would now be able to use their benefits for up to 10 years after separating from the service. Should a reserve component member decide to “rejoin” a reserve unit, that member would then become eligible to access any unused REAP benefits. The act “authorizes an accelerated payment program” for those participating in the MGIB-SR and REAP benefits, allows “three cumulative years of active service” for those members who want to be eligible to attain the maximum benefit under the REAP, and allows those same members to participate in a “buy-up program.” For those reserve component members affected by the base realignment and closure process, the report extends the time they can access educational

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55 Department of Veterans Affairs, “The Montgomery G.I. Bill—Active Duty,” p. 9 ([www.gibill.va.gov/pamphlets/CH30/CH30\\_Pamphlet.pdf](http://www.gibill.va.gov/pamphlets/CH30/CH30_Pamphlet.pdf)). For further discussion of the MGIB-AD program, see *Reserve Personnel Compensation Program Review*, pp. 17–18.

56 Defense Manpower Data Center (DMDC), *Status of Forces Survey of Reserve Component Members*, December 2006, pp. 440, 442, 446.

57 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §530 of Joint Explanatory Statement.

58 CNGR request for data from DOD, November 1, 2006, question #48—data received September 14, 2007.

59 See examples of legislation introduced in the 110th Congress: H.R. 3040, S. 1719, H.R. 1102, S. 644, H.R. 81, and S. 22.

benefits to September 2014.<sup>60</sup> Lastly, these changes are accompanied by a reporting requirement to establish the “feasibility and merits of transferring the administration of” chapters 1606 (governing the MGIB-SR benefit) and 1607 (governing the REAP benefit) of Title 10 to Title 38, which currently governs the MGIB-AD benefit. The report is due to Congress by November 1, 2008.<sup>61</sup>

During the Commission’s June 2007 hearing, Principal Deputy Under Secretary of Defense for Personnel and Readiness Michael Dominguez raised objections to the changes then being considered by Congress: “Initiatives that encourage members to leave service rather than continue to serve are not helpful. For example, proposals to make the reserve educational assistance programs—which are currently designed as recruiting and retention incentives—a post-service or transition benefit . . . are not consistent with our force management objectives.”<sup>62</sup> As noted above, DOD views the MGIB-SR program as a retention program and therefore does not endorse offering the program to those who have ended their service in the armed forces. For the same reason, it opposes offering an educational benefit to those who transition into the Individual Ready Reserve.

The Commission believes that further action is required in order to protect the benefits of those service members participating in the MGIB-SR who have been unable to use their benefits because of deployments. These individuals represent a valuable pool of manpower that could be available for future requirements as a part of the Individual Ready Reserve.

**Finding:** Current law does not allow a reserve component service member to use the MGIB-SR benefit if he or she leaves the Selected Reserve and transitions into the Individual Ready Reserve.

**Recommendation:**

54. Congress should amend the law to permit reserve component service members who have been activated for a specified period of time to use MGIB-SR benefits after their discharge, provided that they remain subject to recall and supply DOD with accurate contact information.

## B. SERVICE MEMBER PROTECTIONS

Most traditional reservists have full-time civilian jobs and rely on those jobs for security for themselves and their families. As discussed earlier in this report, the use of reserve component members has been rising consistently since the first Gulf War, making the idea of serving in a part-time strategic reserve force an outdated concept. With these new strains in mind, the Commission has reviewed and commented on two landmark legislative initiatives designed to protect the employment and legal rights of reserve component members both while they are activated and upon their return to civil society—the Uniformed Services Employment and Reemployment Rights Act of 1994 and the Servicemembers Civil Relief Act.<sup>63</sup> Not only do these two legislative acts afford real-world protection against discrimination in employment and reemployment, as well as upheavals in families’ existing financial, medical, and residential arrangements during deployment, but they also allay

60 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §§ 528, 529, 530, 535.

61 House Report 110-477, §535.

62 The Honorable Michael L. Dominguez, Principal Deputy USD-PR, prepared witness statement before the CNGR, Hearing on Impact of Reserve Component Personnel Compensation Policies, June 20, 2007 ([www.cngr.gov/June%2019-21/Dominguez%20Statement.pdf](http://www.cngr.gov/June%2019-21/Dominguez%20Statement.pdf)), p. 6.

63 Public Law 103-353, 38 U.S.C. §§4301–4334; Public Law 108-189, 50 U.S.C. App. §§ 501–596.

fears that may be a distraction in combat. A service member's thoughts of his or her family should always be a comfort, never a worry.

## USERRA

USERRA was enacted “to encourage noncareer service . . . by eliminating or minimizing the disadvantages to civilian careers and employment [and to] minimize the disruption to the lives of persons performing services in the uniformed services as well to their employers, their fellow employees, and their communities.”<sup>64</sup> USERRA provides that an employee cannot be denied employment, reemployment, retention in employment, promotion, or any benefit of employment on the basis of having served in the military.<sup>65</sup> It has three key components, which (1) prohibit employment discrimination, (2) ensure rights of reemployment, and (3) preserve benefits.<sup>66</sup>

USERRA establishes that an employee may be absent from work for military duty for a cumulative total of five years and retain reemployment rights.<sup>67</sup> When a person starts a new job with a new employer, he or she receives a fresh five-year safeguard.<sup>68</sup>

USERRA applies to virtually all employers, including the federal and state governments; there is no exception for small businesses.<sup>69</sup> Its protections are granted to an employee or applicant for employment who “is a member of, applies to be a member of, performs, has performed, applies to perform, or has an obligation to perform service in a uniformed service[.]”<sup>70</sup> A temporary job may also fall under the USERRA umbrella if there is a “reasonable expectation that employment will continue indefinitely or for a significant period.”<sup>71</sup> The burden is on the employer to prove that the job is not permanent.

As use of the reserve components has risen, reservists have become increasingly concerned that their service will harm their civilian employment.<sup>72</sup> To address those concerns, USERRA assigns roles and responsibilities to four separate federal agencies.<sup>73</sup> According to a recent Government Accountability Office study, however, “no single agency is accountable for maintaining visibility over the

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As use of the reserve components has risen, reservists have become increasingly concerned that their service will harm their civilian employment.

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64 38 U.S.C. §4301(a)(1)–(2).

65 38 U.S.C. §4311(a).

66 38 U.S.C. §§4311–4319.

67 38 U.S.C. §4312(a)(2).

68 38 U.S.C. §4312(a)(2).

69 38 U.S.C. §§4301(b), 4303(4)–(6) and (14), 4314, 4315.

70 38 U.S.C. §4311(a).

71 38 U.S.C. §4312(d)(1)(C).

72 Theodore Lewis Daywalt, CEO and President, VetJobs.com, Inc., prepared witness statement before the CNGR, Hearing on Employer and Family Support: Employer Support, May 17, 2007 ([www.cngr.gov/May%2015-17/Daywalt%20testimony.pdf](http://www.cngr.gov/May%2015-17/Daywalt%20testimony.pdf)), pp. 11–14; Andrea Rollins, U.S. Marine Corps Reserve Key Volunteer Advisor, prepared witness statement before the CNGR, Hearing on Employer and Family Support: Family Support, May 17, 2006 ([www.cngr.gov/May%2015-17/Rollins%20testimony.pdf](http://www.cngr.gov/May%2015-17/Rollins%20testimony.pdf)), pp. 6–7; GAO, “Military Personnel: Federal Agencies Have Taken Actions to Address Servicemembers’ Employment Rights, But a Single Entity Needs to Maintain Visibility to Improve Focus on Overall Program Results,” GAO-08-254T (Testimony before the Committee on Health, Education, Labor and Pensions, U.S. Senate), November 8, 2007, p. 1; Hope Yen, “Reservists: More Problems Returning to Work,” *Army Times*, November 8, 2007.

73 The four federal agencies that have USERRA responsibilities are the Department of Defense, Department of Labor, Department of Justice, and U.S. Office of Special Counsel (for federal employment); see GAO, “Military Personnel: Servicemembers’ Employment Rights,” p. 1.

entire complaint resolution process[.]”<sup>74</sup> The study does give credit to DOD and the Department of Labor for having taken steps to better inform both reservists and employers about the protections provided by USERRA and about the agencies’ capacity to assist reservists in resolving their claims.<sup>75</sup> But GAO concludes that the absence of a single agency with general oversight makes the jobs of each of these agencies more difficult.<sup>76</sup> Congress has already taken an active interest in monitoring reservist “employment and reemployment rights” cases by requiring that the Secretary of the Veterans Administration submit an annual report to Congress on the number of these cases reviewed by the National Committee for Employer Support of the Guard and Reserve (ESGR).<sup>77</sup>

**Finding:** As reservists return to civilian life, they have concerns about difficulties with their civilian employment.

**Finding:** The four federal agencies that have USERRA responsibilities have taken action to improve the information provided to employers and the assistance offered to service members under the law.

**Finding:** USERRA defines the roles and responsibilities of individual agencies; however, it does not designate any single individual or office as accountable for overseeing the entire complaint resolution process.

Some employers have suggested that because USERRA was not written with an operational reserve in mind, the burden on them has unfairly increased in recent years.<sup>78</sup> There may be some truth to their complaint; at the same time, the law’s implicit focus on a Cold War strategic reserve force does not appear to have created problems for service members or their families. In most instances, reservists would not exceed the cumulative five-year limit since drills, annual training, and other training duty are excluded.<sup>79</sup>

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74 GAO, “Military Personnel: Servicemembers’ Employment Rights,” pp. 3, 7.

75 GAO, “Military Personnel: Servicemembers’ Employment Rights,” pp. 9–15; see also U.S. Department of Labor, Veterans’ Employment and Training Service, “Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) Annual Report to Congress: For Fiscal Year 2005,” October 2, 2006, pp. 9–10 ([www.dol.gov/vets/media/DOL\\_VETS\\_USERRA\\_FY05.pdf](http://www.dol.gov/vets/media/DOL_VETS_USERRA_FY05.pdf)).

76 GAO, “Military Personnel: Servicemembers’ Employment Rights,” pp. 7–8.

77 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §595.

78 See generally the Employers Panel testimony before the CNGR, Hearing on Employer and Family Support, transcript of May 17, 2007, hearing ([www.cngr.gov/May%2015-17/0517cngr2.pdf](http://www.cngr.gov/May%2015-17/0517cngr2.pdf)); Congressional Budget Office, “The Effects of Reserve Call-Ups on Civilian Employers,” May 2005.

79 If the categories for duty were simplified, as recommended in Chapter III, USERRA would need to be amended to ensure that training and actual operational mission duty would continue to be exceptions.

Nor does the limit include service performed during time of war, during a national emergency, or for other critical missions or contingencies, regardless of whether the service is involuntary or voluntary.<sup>80</sup>

**Finding:** Though the **Uniformed Services Employment and Reemployment Rights Act** was originally written with a strategic reserve force as its focus, its Cold War design does not appear to have disadvantaged service members or their families at a time when the reserves have become operational.

An employer at the Commission's May 2007 hearing suggested that the non-training voluntary duty exemptions to the five-year limit are "onerous," particularly in light of the employers' obligation to continue paying benefits.<sup>81</sup> Arguably, if these exemptions were removed, the service member who volunteers for a military operation would be more inclined to return to work as soon as possible, knowing that the clock was running. Another result would be greater reliance on involuntary service, which ultimately protects the service member from being put in the position of having to choose between attending to personal obligations, such as family and work, and answering the nation's call. In short, proponents of this action contend, if these citizen-warriors are truly needed by the nation, then their call-ups should be involuntary. That is a burden employers have long accepted.

But despite the clear benefits to employers, removing these exemptions would undercut a key aim of the act: to protect reservists both when they are called on or volunteer to serve their country in time of need and when they train for such contingencies. When the manpower in certain active component units or individual specialties is depleted, many reservists may feel personally obligated to fill in where they are needed—and such an impulse seems worthy of protection. On the other hand, capping the period of service frees employers from having to hold positions open indefinitely while employees serve in the *active* components for extended tours. The Commission heard no testimony that employees are routinely running out of time. The practical result of the five-year limit is that it forces junior service members on active duty to decide whether they will continue with a military career or return to their civilian employer.

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80 38 U.S.C. §4312(c)(4). Assistant Secretary of Defense memorandum, "Reemployment Protections for Activated Reserve Component Members," September 26, 2001, and Department of Defense Instruction 1205.12, "Civilian Employment and Reemployment Rights of Applicants for, and Service Members and Former Service Members of the Uniformed Services," April 4, 1996, p. 6, provide that the assistant service secretaries may determine that service performed pursuant to 10 U.S.C. §12301(d) in direct and indirect support of a war or national emergency is exempt from the USERRA five-year cumulative active duty limit for reemployment rights specified in 38 U.S.C. §4312(c)(4)(B). The Secretaries of the Air Force and Navy have made that determination for service in support of the national emergency declared under Presidential Proclamation 7463 of September 14, 2001 (Secretary of the Air Force memorandum, "Reemployment Protections for Activated Reserve Component Members," December 7, 2001; Secretary of the Navy memorandum, "Reemployment Protections for Personnel Activated or Retained in Support of the National Emergency," March 11, 2002). The Army has not made that general determination by memorandum; but All Army Activities (ALARACT) Message 008/2006, "COTTAD (Contingency Operations Temporary Tour of Active Duty) in support of the Global War on Terrorism," states that "[s]oldiers who are ordered to active duty under Title 10, U.S.C., section 12301(d) are exempt from the Uniformed Services Employment and Re-Employment Rights Act (USERRA) five-year limit for retaining re-employment rights as provided in Title 38, U.S.C., section 4312(c)(4)(b)" (subparagraph 9.M.).

During the Commission's May 2006 hearing, a representative of Delta Airlines mentioned the possibility that employees could abuse the national emergency exemption (see Stephen M. Dickson, Senior Vice President, Flight Operations, and Chief Pilot, Delta Airlines, testimony before the CNGR, Hearing on Employer and Family Support: Employers, transcript of May 17, 2006, hearing, pp. 10–11). However, DOD Instruction 1205.12, paragraph 6.7, specifically states: "This authority shall not be used to grant exemptions to avoid the cumulative 5-year service limit established by reference (b) or to extend individuals in repeated statutory tours. The Assistant Secretary of Defense for Reserve Affairs shall be notified in writing of all occasions in which a Service member is granted more than one exemption for a critical requirement when the additional exemption(s) extend the Service member beyond the 5-year cumulative service limit established in reference (b)."

81 Dickson, testimony before the CNGR, transcript of May 17, 2006, hearing (Employers), pp. 11.



**Finding:** USERRA affords reservists fundamental protection against employment and reemployment discrimination. Moreover, its cumulative five-year maximum, along with its exemptions to that limit, provides an essential safeguard for the service member.

Under USERRA, employers are entitled to advance “written or verbal notice” of pending military duty unless the giving of such notice is precluded by military necessity or is otherwise impossible or unreasonable.<sup>82</sup> However, USERRA does not specify how much advance notice is required. The Department of Defense advises service members to inform their employers as early as possible, and strongly recommends 30 days’ notice.<sup>83</sup> The Commission has seen no evidence suggesting that 30 days’ notice is unreasonable for drill, annual training, and short periods of additional duty or schooling or that units are late in scheduling their activities; untimely notice appears to result most often—whether inadvertently or deliberately—from the acts of service members themselves. Excusing dilatory conduct on the part of employees is hardly the purpose of the law. Though the unit may be asked to verify the duty performed, under USERRA an employer is entitled to proof of service only when an employee is absent for more than 30 days.<sup>84</sup> There seems to be no rationale, other than possible inconvenience to unit administrators, for not supplying employers with verification that their employees are in fact performing military service.

**Finding:** USERRA does not specify how much advance notice of duty is required to be provided to employers.

**Finding:** An employer may ask the unit for verification of the duty performed; but under USERRA, an employer is entitled to proof of service only when the period of absence exceeds 30 days.

Department of Defense policy requires that a point of contact “in each Reserve component headquarters or Reserve regional command, and each National Guard State headquarters . . . render assistance to . . . [e]mployers of National Guard and Reserve members about duty or training requirements arising from a member’s uniformed service or service obligation.” In addition, “[a] designated Reserve component representative shall consider, and accommodate when it does not conflict with military requirements, a request from a civilian employer of a National Guard and Reserve member to adjust a Service member’s absence from civilian employment due to uniformed service when such service has an adverse impact on the employer. The representative may make arrangements other than adjusting the period of absence to accommodate such a request when it serves the best interest of the military and is reasonable to do so.”<sup>85</sup>

An employer troubled by insufficient notification can also seek help from the National Committee for Employer Support of the Guard and Reserve, which was created to promote employer–employee cooperation and to assist in amicably resolving such problems. However, military necessity sometimes precludes the giving of public notice, including to an employer—and unfortunately those occasions often involve mobilizations that require employees’ extended absence.

**Finding:** USERRA and Department of Defense policy provide for adequate notice to and redress for employers, given the unpredictable nature of military duty.

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82 38 U.S.C. §4312(a)–(b).

83 DOD Instruction 1205.12, “Civilian Employment and Reemployment Rights,” paras. 6.1.2.1.1, 6.1.2.1.2.

84 38 U.S.C. §4312(f)(1), April 4, 1996.

85 DOD Instruction 1205.12, “Civilian Employment and Reemployment Rights,” paras. 6.14; 6.15.

**Finding:** Any inconvenience to the services caused by providing proof of an employee's service is minor in comparison to the sacrifices that employers willingly bear.

The Department of Labor reported that in the four years after September 2001, when more than 518,000 reserve component members were mobilized, only one out of every 81 demobilized reservists filed an employment-related complaint. By comparison, reservists during and after Operation Desert Storm were about three times more likely to file a complaint.<sup>86</sup> This significant reduction may be largely due to the efforts of the Department of Labor to educate reservists and their employers, as well as to the enactment of USERRA itself.<sup>87</sup>

### *Flexible Spending Accounts and the Transition Assistance Management Program*

Redeploying service members can potentially be harmed by the intersection of two federal statutes as they relate to flexible spending accounts (FSAs), employer-established benefit plans that reimburse employees for specified medical expenses as they are incurred. These accounts are offered through "cafeteria plans" or "125 plans," a name taken from the section of the Internal Revenue Code that created them. Through payroll deductions, the employee funds the account (to which an employer may also choose to contribute); he or she then makes withdrawals to pay medical bills. The money set aside in an FSA is subject to neither income nor Social Security taxes.

According to the Internal Revenue Code, FSA funds not used in a year are forfeited.<sup>88</sup> And USERRA, despite providing that a reservist's health care plan can be reinstated on reemployment, without exclusions or a waiting period,<sup>89</sup> makes no mention of FSA funds. Thus a reservist mobilized for a period that extends beyond the end of a given calendar year will lose any FSA funds that were not used in the year of deposit (plus a two-and-one-half-month grace period).

**Finding:** In regard to flexible spending accounts, there is an incongruity between the Internal Revenue Code and USERRA's overall intent. This treatment unfairly penalizes redeploying service members.

The Transition Assistance Management Program (TAMP) provides transitional TRICARE coverage to qualified separating active duty service members;<sup>90</sup> this benefit is available for 180 days to demobilizing reservists and their eligible family members. At the same time, USERRA provides that when these service members return to their civilian jobs, they are entitled to immediate reinstatement of

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86 U.S. Department of Labor, "USERRA Annual Report to Congress, 2005," p. 9.

87 U.S. Department of Labor, "USERRA Annual Report to Congress, 2005," pp. 9–10.

88 26 U.S.C. §§ 106, 125; Internal Revenue Service, Notice 2055-42, "Section 125—Cafeteria Plans—Modification of Application of Rule Prohibiting Deferred Compensation Under a Cafeteria Plan," p. 2 ([www.treasury.gov/press/releases/reports/n0542.pdf](http://www.treasury.gov/press/releases/reports/n0542.pdf)).

89 38 U.S.C. §4317(b)(1).

90 "The four categories for TAMP are:

- Members involuntarily separated from active duty and their eligible family members;
- National Guard and Reserve members . . . separated from active duty after being called up or ordered in support of a contingency operation for an active duty period of more than 30 days and their family members;
- Members separated from active duty after being involuntarily retained in support of a contingency operation and their family members; and
- Members separated from active duty following a voluntary agreement to stay on active duty for less than one year in support of a contingency mission and their family members."

TRICARE, "Transitional Assistance Management Program: A Transitional Health Care Benefit for Service Members and Their Families," TRICARE Fact Sheets, March 12, 2004 (updated January 6, 2005) ([www.tricare.mil/Factsheets/print.cfm?id=317](http://www.tricare.mil/Factsheets/print.cfm?id=317)).

their civilian health insurance coverage, so long as they were enrolled before they mobilized. There is no waiting period and no exclusion of preexisting conditions, other than those conditions that the Department of Veterans Affairs has determined to be service-connected. Family members are likewise entitled to reinstatement of health insurance coverage that was in place before the activation.<sup>91</sup>

However, no clear rule applies to a service member who returns to work but elects coverage through TAMP rather than immediately reenrolling in an employer-based health care plan. Arguably, that service member has lost the protections of USERRA, which specifies that “an exclusion or waiting period may not be imposed in connection with the reinstatement of such coverage *upon reemployment*[.]”<sup>92</sup> Thus, the reservist and his or her family may have to wait—perhaps for months, while they may lack any coverage—for an “open enrollment season,” at which time any preexisting conditions may be excluded. The service member might immediately reenroll in the employer-based health care plan while simultaneously electing coverage under TAMP, but doing so would negate the financial benefit of TAMP.

**Finding:** There is no clear rule that protects the health care reenrollment rights of a service member whose return to work is timely but who elects not to immediately reenroll in his or her employer-based health care plan, choosing instead to use the Transition Assistance Management Program (TAMP) benefit.

The Servicemembers Civil Relief Act has a similar provision that addresses service members who have private health insurance and are not eligible for an employer-based health care plan.<sup>93</sup> It stipulates that the service member must file for reinstatement not later than 120 days after the date of termination of or release from military service.<sup>94</sup>

**Finding:** The TAMP 180-day post-deployment transitional TRICARE coverage is a valuable benefit for redeploying service members and their families, and it is unfair that service members who elect to use this benefit are put in the position of losing USERRA’s protection of civilian health insurance coverage.

## The SCRA

USERRA and the SCRA are separate and distinct statutes. The SCRA has no provisions relating to employment or reemployment rights; instead, it allows all members of the armed forces to suspend or postpone some civil obligations so that they may devote their full attention to their duties. The law covers such matters as rental agreements, security deposits, prepaid rent, evictions, installment contracts, credit card interest rates, mortgage interest rates, mortgage foreclosures, civil judicial proceedings, and income tax payments.<sup>95</sup> One area of particular concern is mortgage foreclosure.

The SCRA protects the service member from mortgage foreclosure by providing him or her up to 90 days after release from active duty to file for relief “when the servicemember’s ability to comply with the obligation is materially affected by military service[.]”<sup>96</sup> The court may stay the proceedings until the service member is available to answer, or it may adjust the monthly payments.<sup>97</sup> Some

91 38 U.S.C. §4317(b)(1).

92 38 U.S.C. §4317(b)(1); emphasis added.

93 50 U.S.C. App. §594.

94 50 U.S.C. App. §594(d).

95 50 U.S.C. App. §§501–596.

96 50 U.S.C. App. §533.

97 50 U.S.C. App. §533.

reserve advocates and members of Congress favor extending this shield period to one year,<sup>98</sup> in order to give the service member more time to adjust to civilian life while protecting what is most likely his or her most valuable property asset. Finding a job, climbing out of debt, and dealing with both the physical and mental aftermath of service are all stressors, and the threat of foreclosure could likely add to the strain.<sup>99</sup> The rates of post-traumatic stress disorder among combat veterans returning from Operations Iraqi Freedom and Enduring Freedom are significant.<sup>100</sup> The threat of foreclosure is a stressor that need not be placed on members of the armed forces during the first months of their return to civilian life.

**Finding:** Reservists face considerable stress when they return from deployment; while some of those stressors are unavoidable, service members can be given more time to deal with the threat of foreclosure.

## Service Member Privacy Rights

Over the years, the Social Security number (SSN) has become a de facto national identifier used by federal agencies, state and local governments, and the private sector. The Government Accountability Office reported in 2005 that government agencies at all levels collect and use SSNs to administer programs, verify applicants' eligibility for services and benefits, and evaluate programs. "Although some government agencies are taking steps to limit the use and display of SSNs," it noted, "these numbers are still available in a variety of public records held by states, local jurisdictions, and courts."<sup>101</sup>

GAO further reports that private-sector entities, such as information resellers, credit reporting agencies, and health care organizations, also routinely obtain and employ SSNs. The numbers are acquired from various public sources or clients and used for various purposes, including verifying identity or matching existing records.<sup>102</sup>

As the Social Security Administration notes, "While a number of laws and regulations require the use of SSNs for various federal programs, they generally also impose limitations on how these SSNs may be used. Although no single federal law regulates the overall use and disclosure of SSNs by federal agencies, the Freedom of Information Act of 1966, the Privacy Act of 1974, and the Social Security

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98 H.R. 1750, Extension of Period of Mortgage Foreclosure Protection under Servicemembers Civil Relief Act, 110th Cong., 1st sess., March 28, 2007, is a bill to amend the Servicemembers Civil Relief Act to increase the period of protection of mortgage foreclosure from 90 days after release from active duty to one year after. A similar extension (from 90 to 180 days) was removed from H.R. 1315, Veterans' Benefits Improvement Act of 2007, 110th Cong., 1st sess., July 30, 2007; see House Report 110-266, on the National Defense Authorization Act for Fiscal Year 2008, 110th Cong., 1st sess., July 30, 2007, p. H8892.

99 Data from the Post-Deployment Health Reassessment indicate that 44 percent of reservists and 41 percent of national guardsmen screened since June 2005 have reported some concerns about psychological health (*An Achievable Vision: Report of the Department of Defense Task Force on Mental Health* [Falls Church, VA: Defense Health Board, 2007], p. 25). See also U.S. Army Center for Health Promotion and Preventive Medicine, "Just the Facts . . . Stress and Combat Performance," 22-002-0499 ([http://deploymenthealthlibrary.fhp.osd.mil/products/Stress%20and%20Trauma%20\(70\).pdf](http://deploymenthealthlibrary.fhp.osd.mil/products/Stress%20and%20Trauma%20(70).pdf)), and U.S. Army Medical Department, Army Behavioral Health, "COSC [Combat and Operational Stress Control] Risk Factors or Stressors and Preventive Measures or Leader Actions," pp. 9–10 ([www.behavioralhealth.army.mil/provider/coscriskfactors.pdf](http://www.behavioralhealth.army.mil/provider/coscriskfactors.pdf)).

100 Thomas R. Insel, M.D., "Post-Traumatic Stress Disorder Research at the National Institute of Mental Health," prepared statement before the Committee on Oversight and Government Reform, U.S. House of Representatives, 110th Cong., 1st sess., May 24, 2007, pp. 2–3.

101 Barbara D. Bovbjerg, Director, Education, Workforce, and Income Security Issues, United States Government Accountability Office, prepared statement before the Committee on Consumer Affairs and Protection and Committee on Governmental Operations, New York State Assembly, September 15, 2005, GAO-05-1016T, p. 2.

102 Bovbjerg, prepared statement, p. 2.

Act Amendments of 1990 generally govern disclosure and use of SSNs.”<sup>103</sup> Among the federal laws that address the disclosure of SSNs by the private sector are the Fair Credit Reporting Act, which limits access to credit data that include SSNs to those who have a permissible purpose under the law; the Gramm-Leach-Bliley Act, which created a new definition of personal information that includes SSNs and limits when financial institutions may disclose that information to nonaffiliated third parties; and the Drivers Privacy Protection Act, which prohibits obtaining and disclosing SSNs and other personal information from a motor vehicle record except as expressly permitted under law.<sup>104</sup>

The privacy of personal information is of great concern to military members, and they, like all Americans, are well aware of the importance of protecting their Social Security number to avoid the possibility of identity theft or the compromise of their financial data. The displaying of SSNs on documents such as the military identification card (also known as the Common Access Card, or CAC) and military dog tags increases the risk that others may improperly obtain and misuse them.

**Finding:** The use of Social Security numbers on military identity cards and dog tags increases the chance that military members and their families could be the victims of identity theft and related fraud.

#### Recommendations:

55. Congress should make a single entity accountable for overseeing the entire USERRA complaint resolution process.
56. USERRA’s five-year limit and its exemptions should not be eliminated or modified. USERRA should, however, be amended to establish that an employer is entitled to documentation, if available, confirming that an employee performed any period of military service.
57. Both the Internal Revenue Code and USERRA should be amended to specify that when service members are mobilized and until their deployment ends, the “year” in which funds were deposited into their flexible spending accounts be frozen.
58. USERRA should be amended to specify that an exclusion or waiting period may not be imposed in connection with the reinstatement of an employer-based health care plan upon reemployment or upon termination of health care coverage under the Transition Assistance Management Program, whichever is later. In addition, the Servicemembers Civil Relief Act (SCRA) should be amended to increase the period during which a service member may apply for reinstatement of health insurance from 120 days to 180 days, the period of TAMP eligibility.
59. The SCRA should be amended to increase to a period greater than 90 days the time allowed a service member to file for relief from foreclosure.
60. DOD should replace Social Security numbers with another form of unique identifier for service members and their families in all Defense systems and should discontinue the use of SSNs on identity cards and dog tags.

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103 Social Security Administration, Office of the Inspector General, “Review of Social Security Administration Controls over the Access, Disclosure and Use of Social Security Numbers by External Entities,” Audit Report, A-08-02-22071, December 2002, p. 2.

104 Bovbjerg, prepared statement, pp. 11–12.



## C. HEALTH CARE

The Defense Advisory Committee on Military Compensation noted that “[t]he health benefit is arguably the single most important noncash benefit provided to employees by their employer, including in the Department of Defense.”<sup>105</sup> The Commission concurred with DACMC’s assessment and has made a number of recommendations to improve the health care benefit available to reserve component members and their families and to recognize its importance as an essential element of an enhanced compact with employers of reserve component members.

TRICARE is the Department of Defense’s worldwide health care program for active duty and retired members of the uniformed services and their family members. TRICARE benefits are provided at military treatment facilities (MTFs) worldwide and through a contracted network of providers in the civilian sector.<sup>106</sup> Eligible beneficiaries may enroll in TRICARE Prime, a managed care option similar to a civilian health maintenance organization, or they may use TRICARE Extra or Standard, which both offer greater freedom of choice in selecting providers in exchange for higher out-of-pocket costs.<sup>107</sup>

The health care benefits available to National Guard and Reserve members depend on duty status:

- On active duty orders for a period of 30 days or less or during inactive duty training, the member is covered for injury, illness, or disease incurred or aggravated in the line of duty.<sup>108</sup>
- On active duty orders for a period of more than 30 days, both the service member and his or her family members have TRICARE coverage, as do active duty members and their families.<sup>109</sup>

Because of concerns about the health care benefits available to reserve component members and their family members, Congress has over a period of several years expanded medical coverage for members in both an activated and a non-activated status. These changes include

- An “Early” (or pre-activation) TRICARE benefit of up to 90 days for reserve component members (and their family members) who are issued delayed-effective-date orders for more than 30 days in support of a contingency operation.<sup>110</sup>
- The TRICARE Reserve Family Demonstration Project, which waives the TRICARE annual deductible for family members using TRICARE Extra or Standard, waives the nonavailability statement requirement for non-emergency inpatient care at civilian hospitals, and authorizes TRICARE to pay nonparticipating providers up to 115 percent of TRICARE’s maximum allowable charge (called CMAC, or the CHAMPUS [Civilian Health and Medical Program of the Uniformed Services] maximum allowable charge)—all through October 31, 2008.<sup>111</sup>

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<sup>105</sup> *The Military Compensation System: Completing the Transition to an All-Volunteer Force* ([Washington, DC: Defense Advisory Committee on Military Compensation], 2006), p. 72.

<sup>106</sup> “TRICARE: The Basics,” TRICARE Fact Sheets, October 23, 2007 ([www.tricare.mil/factsheets/viewfactsheet.cfm?id=127](http://www.tricare.mil/factsheets/viewfactsheet.cfm?id=127)).

<sup>107</sup> “TRICARE Benefits Explained,” Military.com ([www.military.com/benefits/tricare/understanding-your-tricare-benefits](http://www.military.com/benefits/tricare/understanding-your-tricare-benefits)).

<sup>108</sup> 10 U.S.C. §1074a.

<sup>109</sup> 10 U.S.C. §§1074, 1076, 1079; “The term ‘active duty for a period of more than 30 days’ means active duty under a call or order that does not specify a period of 30 days or less” (§101(d)(2)).

<sup>110</sup> “‘Early’ TRICARE Benefit for Some Activated National Guard and Reserve Members and Family Members,” TRICARE Fact Sheets, June 7, 2006 ([www.tricare.mil/Factsheets/viewfactsheet.cfm?id=328](http://www.tricare.mil/Factsheets/viewfactsheet.cfm?id=328)).

<sup>111</sup> “TRICARE Reserve Family Demonstration Project,” TRICARE Fact Sheets, August 30, 2007 ([www.tricare.mil/factsheets/viewfactsheet.cfm?id=176](http://www.tricare.mil/factsheets/viewfactsheet.cfm?id=176)).

- The Transition Assistance Management Program, which offers up to 180 days of TRICARE coverage for reserve component members (and their family members) separated from active duty after a call or order to active duty for more than 30 days in support of a contingency operation.<sup>112</sup>
- TRICARE Reserve Select (TRS), a premium-based health insurance program that, beginning October 1, 2007, provides all members of the Selected Reserve the opportunity to purchase comprehensive health coverage similar to that provided by TRICARE Standard and TRICARE Extra. Drilling reservists are able to enroll in the plan and pay a premium that is 28 percent of its cost; the federal government will pay the remaining 72 percent.<sup>113</sup> Reservists who are currently or who could be covered by the Federal Employees Health Benefits Program (FEHBP)—either through their own eligibility or through that of a family member—are not able to purchase coverage through TRICARE Reserve Select.<sup>114</sup>
- The TRICARE Dental Program, which is premium-based dental insurance available to active duty family members, national guardsmen and reservists, and their eligible family members. Once activated, reserve component members must receive dental services through the active duty military dental care system.<sup>115</sup>

### TRICARE Challenges: User-Friendliness and Continuity of Care

Using TRICARE has proven to be a challenge for some activated reserve component family members who may be unfamiliar with the complexities of TRICARE, may want to continue with their current civilian providers, or may be located at a considerable distance from an MTF or in a remote location where civilian providers do not participate in TRICARE. Although some family members may prefer to retain their employer-sponsored health insurance in lieu of TRICARE, the Uniformed Services Employment and Reemployment Rights Act provides only limited protection for activations of more than 30 days.

Problems associated with TRICARE have frequently been raised in Commission hearings and focus groups. The principal criticisms expressed have been (1) the failure of TRICARE to be user-friendly, particularly for “suddenly military”<sup>116</sup> National Guard and Reserve family members who have had no previous experience with the program’s complexities; (2) the difficulty in finding a physician willing to accept TRICARE in some areas, because the provider feels that the maximum level of reimbursement provided by the CHAMPUS maximum allowable charge, or CMAC, is inadequate or that the TRICARE paperwork requirements are onerous; (3) and lack of continuity of care if a current physician is not a TRICARE provider. In his prepared witness statement before the Commission in June 2007, Deputy Under Secretary Dominguez acknowledged that “[b]ecause of

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112 “Transition Assistance Management Program: A Transitional Health Care Benefit for Service Members and Their Families,” TRICARE Fact Sheets, January 6, 2005 ([www.tricare.mil/Factsheets/viewfactsheet.cfm?id=317](http://www.tricare.mil/Factsheets/viewfactsheet.cfm?id=317)).

113 Rod Powers, “What Congress Has in Store for You in 2007,” About.com: U.S. Military, December 15, 2006 ([http://usmilitary.about.com/od/payandbenefits/a/07paychanges\\_3.htm](http://usmilitary.about.com/od/payandbenefits/a/07paychanges_3.htm)).

114 U.S. Office of Personnel Management, “Federal Employees Health Benefit (FEHB) Program: Loss of TRICARE Reserve Select for Selected Reserve Members eligible for FEHB Enrollment,” Benefits Administration Letter, Number 06-207, December 12, 2006 ([www.opm.gov/retire/asd/htm/2006/06-207.asp](http://www.opm.gov/retire/asd/htm/2006/06-207.asp)).

115 “TRICARE Dental Program,” TRICARE Fact Sheets, January 31, 2007 ([www.tricare.mil/Factsheets/viewfactsheet.cfm?id=320](http://www.tricare.mil/Factsheets/viewfactsheet.cfm?id=320)).

116 National Military Family Association, “Cycles of Deployment: An Analysis of Survey Responses from April through September 2005,” p. 9.

the movement between civilian and military status, continuity of health care for the family has been a concern.”<sup>117</sup>

Several of the family readiness panel witnesses at the Commission’s May hearing were very vocal about their TRICARE misgivings. Amie Minich, the Navy Family Ombudsman from the Navy Operational Support Center in Richmond, Virginia, identified TRICARE as one of the major challenges she has to deal with:

One of the biggest questions that we as ombudsman get is: how do I find a qualified TRICARE provider when I’m not close to a military treatment facility? All of my family members are more than 50 miles away from a military treatment facility. So I strictly have all rural family members. . . . TRICARE information is very outdated for the family members. And this is my biggest negative that I’ve found so far. The information is not up-to-date. When you call for assistance, they have great people that will help you on the phone, but it’s—you have to get through the menu system first. It’s not user-friendly. The website is not user-friendly. So this is the biggest issue in my opinion that we need to address.<sup>118</sup>

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“Tricare is a difficult and unwieldy program, even to active duty families . . . to navigate . . . with minimal access and assistance, while also dealing with the stresses of deployment.”

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In her opening statement, Andrea Rollins, a Marine Corps Reserve Key Volunteer Advisor, told the Commission:

Our families still have needs, and the one issue we hear voiced the loudest is Tricare concerns. The need to address the weakness in this program cannot be overstated. Adequate health care coverage is critical to reserve families. They face the unenviable task of transitioning from their existing healthcare programs to Tricare and back again in a 12-month period. This is not a small task. Tricare is a difficult and unwieldy program, even to active duty families, yet our reserve families are expected to navigate the Tricare maze with minimal access and assistance, while also dealing with the stresses of deployment.<sup>119</sup>

The Commission has received similar feedback in focus groups. In July 2006 the Commission held a field hearing in San Antonio, Texas. Since San Antonio is an area with a considerable number of military treatment facilities, family members there should have much easier access to TRICARE than do the many National Guard and Reserve families living in more remote areas. Nonetheless, focus group participants had multiple concerns:

- “I had no option to use TRICARE as my family doctor would not take it.”
- “TRICARE could not work with the same doctor, so we had to uproot the kids; it all had to change. If I wanted to stay on the civilian benefit, I would have had to pay COBRA. It’s a big issue. Only the big companies can help to pay healthcare costs.”
- “I signed up for TRICARE [for myself] because we had to. I have a civilian pediatrician who is not on TRICARE. Since I needed it only for my family I did not use it or call them

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117 Deputy Under Secretary Dominguez, prepared statement, June 20, 2007, p. 29.

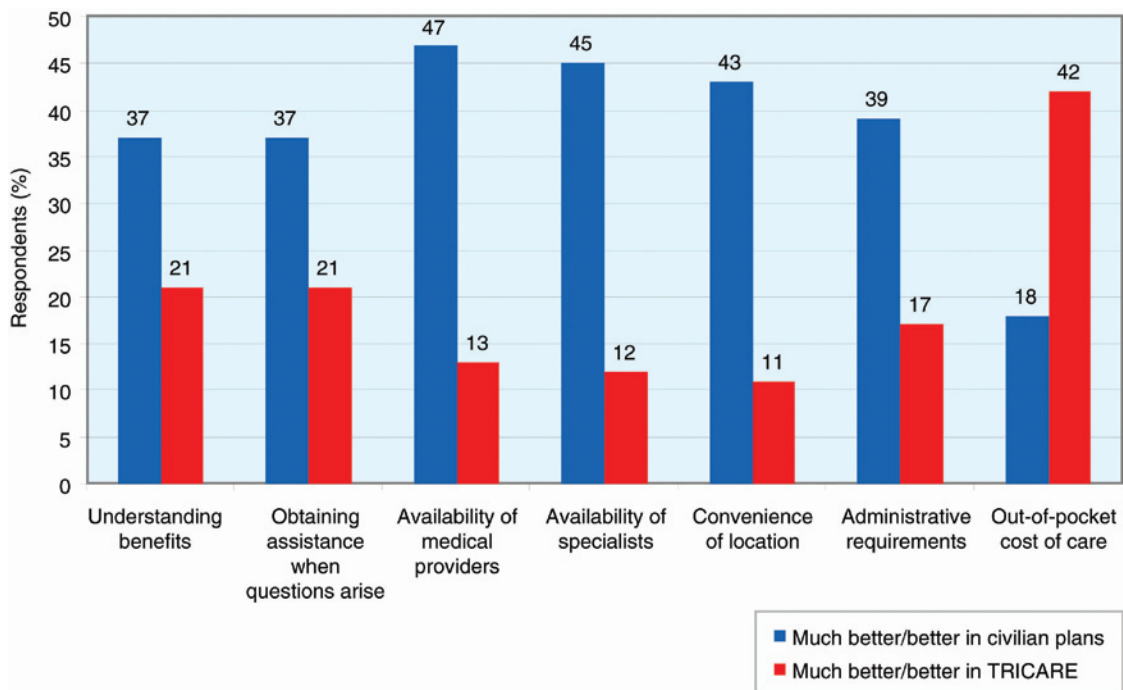
118 Amie Minich, testimony before the CNGR, Hearing on Employer and Family Support: Family Support, May 17, 2007, hearing ([www.cngr.gov/May%2015-17/0517cngr3.pdf](http://www.cngr.gov/May%2015-17/0517cngr3.pdf)), p. 14.

119 Andrea Rollins, testimony before the CNGR, Hearing on Employer and Family Support: Family Support, May 17, 2007, hearing, p. 23.

[TRICARE]. I was fortunate that my employer helped me out with medical coverage. I am a police officer and I paid 20 percent and my employer paid 80 percent.”<sup>120</sup>

In a similar vein, Lisa Angelini, the Administrator of Employee Health Services for the New Hampshire Department of Corrections, told the Commission at our May 2007 hearing that “most of our employees at the Department of Corrections, and I daresay for the state in itself, would prefer to stay with their own care providers. . . . [T]here has been some difficulty with whether a health care provider wants to participate in TRICARE.” She added, “[A]ny of the returnees that I spoke to about the use of TRICARE by their families while they were gone, they really weren’t all of that interested in it. They wanted to maintain what they had rather than change things.”<sup>121</sup>

The December 2006 *Status of Forces Survey of Reserve Component Members*, conducted by the Defense Manpower Data Center, posed a number of questions regarding TRICARE. When questioned regarding the availability of providers, 13 percent of respondents indicated that availability was greater in TRICARE, compared to 47 percent who indicated better availability in civilian plans. Answers were comparable on availability of specialists, where 12 percent indicated greater availability in TRICARE, compared to 45 percent for civilian plans. On the issue of administrative requirements, such as claims, paperwork, and approvals, 17 percent indicated TRICARE was better, compared to 39 percent who said that civilian plans were better. TRICARE, however, had far more favorable scores on out-of-pocket cost for care: 42 percent indicated that TRICARE was better, compared to 18 percent for civilian plans, and 40 percent indicated that out-of-pocket costs were comparable. These results are illustrated graphically in Figure V.1.



Source: Defense Manpower Data Center (DOD), *Status of Forces Survey of Reserve Component Members*, December 2006, Tabulations of Responses.

**Figure V.1. TRICARE versus Civilian Medical Coverage: RC Survey Results**

120 MFR of Commission meeting with Focus Group I [reserve component enlisted service members], San Antonio, TX, July 18, 2006.

121 Lisa Angelini, testimony before the CNGR, Hearing on Employer and Family Support: Employers, May 17, 2007, hearing, p. 26.

The difficulty some family members encounter in finding physicians willing to participate in TRICARE has been a long-standing congressional concern, addressed in a number of Government Accountability Office reports. In a February 1998 report on matters troubling physicians, prepared for the House and Senate Armed Services Committees, GAO noted that in the Department of Defense Appropriations Act for Fiscal Year 1991 Congress had urged DOD to gradually lower reimbursement rates paid to civilian providers, making adjustments based on Medicare rates.<sup>122</sup> GAO concluded that “because of administrative and cost issues, physicians are becoming disillusioned with the program,” further noting that “[a]lthough physicians complained about the level of reimbursement under TRICARE, their complaints are focused on the discounted rates paid to network physicians under TRICARE Prime and Extra—rates that are typically lower than Medicare. However, it is the combination of low payments and administrative impediments associated with untimely payments and slow authorizations for treatment that has negatively affected many physicians’ opinions of the TRICARE program.”<sup>123</sup>

The TRICARE Management Activity (TMA) has made progress in addressing provider concerns; it now has recourse to congressional authority, enacted in 1999, to reimburse TRICARE health care providers at higher rates if the Secretary of Defense determines that such rates are necessary to ensure that an adequate number of health care providers are available in TRICARE.<sup>124</sup> This authority has been used in a limited number of cases. For example, in October 2005, a waiver request was submitted to increase the reimbursement level for 14 obstetrical procedures or services in 10 states to the Medicaid reimbursement amount. The waiver approved in March 2006 was “for the lesser of billed charges or 600 percent of the TRICARE reimbursement rate.”<sup>125</sup> As of August 2006, TMA had approved a total of 15 waivers.<sup>126</sup>

Nonetheless, serious problems remain. In written testimony before the Military Personnel Subcommittee of the House Armed Services Committee in March 2007, David McIntyre, the President and CEO of TriWest, one of TRICARE’s managed care support contractors, noted:

Case in point is the issue surrounding 2007 CHAMPUS maximum allowable charge (CMAC) changes. Although Congress’ action to stop the overall decrease in Medicare reimbursement was well received, there remain significant decreases in several key areas that are causing current disruption within our provider network. In particular, the overall impact of the 2007 CMAC changes to behavioral health reimbursement is a 5.8 percent decrease in payments. Understandably, this decrease has not been well received by our network’s behavioral health providers, particularly psychiatrists and child psychiatrists, who are already overburdened and in short supply. This decrease, coming at a time when behavioral health services are in great demand due to the impact of the war, is likely to jeopardize the system’s ability to meet that demand.<sup>127</sup>

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122 GAO, “Defense Health Care: Reimbursement Rates Appropriately Set; Other Problems Concern Physicians,” GAO/HEHS-98-80 (Report to Congressional Committees), February 1998, p. 1; Public Law 101-511, *Department of Defense Appropriations Act for Fiscal Year 1991*, November 5, 1990, §8012.

123 GAO, “Defense Health Care: Reimbursement Rates Appropriately Set; Other Problems Concern Physicians,” pp. 12–13.

124 Public Law 106-65, *National Defense Authorization Act for Fiscal Year 2000*, October 5, 1999, §716.

125 GAO, “Defense Health Care: Access to Care for Beneficiaries Who Have Not Enrolled in TRICARE’s Managed Care Option,” GAO 07-48 (Report to Congressional Committees), December 2006, p. 33.

126 GAO, “Defense Health Care: Access to Care for Beneficiaries Who Have Not Enrolled in TRICARE’s Managed Care Option,” p. 31.

127 David J. McIntyre, Jr., prepared statement before the House Armed Services Committee, Military Personnel Subcommittee, 110th Cong., 1st sess., March 27, 2007, p. 3.



In June 2007, DOD's congressionally directed Task Force on Mental Health expressed very similar concerns: "At many locations, the Task Force found that service members and family members who rely on the TRICARE network have less access to care than TRICARE network provider lists suggest because the lists of mental health professionals were routinely populated by providers who were not accepting TRICARE patients. Providers reported that this was because low TRICARE reimbursement rates prevented them from taking more patients or because certification requirements were onerous."<sup>128</sup>

As GAO noted in its 1998 report, providers have objected not just to reimbursement rates but also to administrative impediments. David McIntyre's testimony indicates that the problem has persisted to this day: "While many providers consider it their civic duty to support military beneficiaries and their dependents despite the low reimbursement rate, it only goes so far before providers decide not to renew contracts or contract at all with a TRICARE contract. Not only are contractors asking providers to accept lower rates by participating in TRICARE, but they're asking providers to take on the additional administrative duties that are unique to the TRICARE program."<sup>129</sup>

Congress has on several occasions addressed the issue of "additional administrative duties," such as TRICARE-unique claims forms. In December 2002, it directed the Secretary of Defense to limit the information required on claims forms "to that information that is identical to the information that would be required for claims for reimbursement . . . under title XVIII of the Social Security Act [Medicare] except for that information, if any, that is uniquely required by the TRICARE program."<sup>130</sup> Four years later, apparently dissatisfied with DOD's progress, Congress made the direction more explicit, specifying that "[e]ffective beginning with the next contract option period . . . the claims processing requirements under the TRICARE program [for provider identification numbers and documentation of medical necessity] . . . shall be identical to the claims processing requirements under the Medicare program[.]" Congress further charged the Secretary of Defense with providing it a "complete list of the claims processing requirements under the TRICARE program that differ from claims processing requirements under the Medicare program."<sup>131</sup>

Finding a civilian provider willing to accept TRICARE can be especially problematic for the many reserve component families who live at considerable distance from military treatment facilities and are often required to rely on the TRICARE Standard benefit. Since TRICARE's inception, there have been complaints from such TRICARE beneficiaries in some locations about the difficulty in finding civilian providers willing to take them as patients. In 2003, Congress directed DOD to monitor physician access through a survey and directed GAO to review DOD's process of determining the adequacy of providers of TRICARE Standard.<sup>132</sup> In 2005 Congress, apparently dissatisfied with DOD's survey, indicated that more detailed information from providers was needed in order to improve TRICARE Standard and directed the inclusion of additional survey questions, including whether the doctor accepts Medicare patients and whether the provider would accept additional Medicare patients.<sup>133</sup>

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128 *An Achievable Vision*, p. 27.

129 McIntyre, prepared statement, pp. 10–11.

130 Public Law 107-314, *National Defense Authorization Act for Fiscal Year 2002*, December 2, 2002, §711.

131 Public Law 109-364, *National Defense Authorization Act for Fiscal Year 2007*, October 17, 2006, §731.

132 GAO, "Defense Health Care: Access to Care for Beneficiaries Who Have Not Enrolled in TRICARE's Managed Care Option," p. 3; Public Law 108-136, *National Defense Authorization Act for Fiscal Year 2004*, November 24, 2003, §723.

133 House Report 109-89, accompanying H.R. 1815, the *National Defense Authorization Act for Fiscal Year 2006*, 109th Cong., 1st sess., May 20, 2005. p. 350; Public Law 109-163, *National Defense Authorization Act for Fiscal Year 2006*, January 6, 2006, §711.

Reflecting continuing congressional concern, section 711 of the National Defense Authorization Act for Fiscal Year 2008 directs the Secretary of Defense to survey health care providers and beneficiaries both in TRICARE Prime service areas<sup>134</sup> and in geographic areas in which TRICARE Prime is not offered to determine whether providers, including mental health providers, are accepting patients under TRICARE Standard and TRICARE Extra. The NDAA provision also directs the Secretary to establish benchmarks to be used in determining whether or not the number of available providers is adequate and to “give a high priority to surveying beneficiaries and providers located in geographic areas with high concentrations of members of the Selected Reserve” and directs that the Government Accountability Office review the process used on an ongoing basis.<sup>135</sup> The NDAA for FY 2008 further tasks the Secretary of Defense with submitting a report on the adequacy of access to mental health services under TRICARE, including in geographic areas where surveys are conducted under the section 711 requirement.<sup>136</sup> Access to mental health services under TRICARE was identified as a serious problem by DOD’s Task Force on Mental Health, as previously discussed.

As observed above, finding TRICARE providers remains a problem for many reserve component families. Serious lapses in continuity of care may occur when a family must switch, upon the member’s activation, from non-TRICARE physicians in the employer’s health care plan to an entirely new set of providers. Recognizing that continuity of care is an important component of the family’s quality of life, the Commission makes specific recommendations in this section to deal with that problem.

**Finding:** Many “suddenly military” National Guard and Reserve families, whose service members are activated for the first time, find TRICARE to be difficult to navigate and non-user-friendly.

**Finding:** Many reserve component families find it difficult to maintain continuity of medical care using their existing health care providers once their service member is activated, because many civilian health care providers do not participate in TRICARE.

Commission staff have met with TRICARE Management Activity staff regarding the need to prepare materials for reserve component family members who do not “speak TRICARE” and the need for user-friendly information designed specifically for them, without the need to search through a series of Web pages.<sup>137</sup> For example, in 2007 TMA published *TRICARE for National Guard and Reserve: Your Passport to Quality Health Care*.<sup>138</sup> The *Passport* provides information on a variety of TRICARE-related programs. For those with little or no experience with TRICARE, however, some basic introductory information up front on what TRICARE is, what it offers, and how best to use the information provided would be extremely helpful. Similarly, clicking the “TRICARE Reserve” link at [www.militaryonesource.com](http://www.militaryonesource.com) brings up a TRICARE fact sheet on the “pre-activation benefit for National Guard and Reserves.”<sup>139</sup> Some sort of summary overview and basic description of TRICARE would probably be a better starting point for the reserve component user searching Military OneSource for TRICARE assistance.

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134 Prime Service Areas include the approximately 40-mile radius surrounding military treatment facilities that provide inpatient care, base realignment and closure sites, and “additional areas where either TMA or the MCSC [managed care support contractor] deems networks to be cost effective” (GAO, “Defense Health Care: Access to Care for Beneficiaries Who Have Not Enrolled in TRICARE’s Managed Care Option,” GAO-07-48 [Report to Congressional Committees], December 2006, p. 12).

135 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §711.

136 House Report 110-477, §708.

137 MFR, TMA staff meeting with CNGR staff, April 19, 2007.

138 This pamphlet is available at [www.tricare.mil/mybenefit/Download/Forms/NGR\\_passport\\_07.pdf](http://www.tricare.mil/mybenefit/Download/Forms/NGR_passport_07.pdf).

139 See [www.tricare.mil/mybenefit/home/overview/SpecialPrograms/PreActBenefitNGR](http://www.tricare.mil/mybenefit/home/overview/SpecialPrograms/PreActBenefitNGR).

A February 2007 GAO report highlighted the need for improved TRICARE education:

DOD officials recognize that TRICARE education could be improved, but they currently do not plan to require that the reserve components provide additional TRICARE briefings. DOD officials have suggested that TRICARE education could be made more effective by supplementing the TRICARE briefings provided at mobilization and demobilization sites with annual briefings during training periods when reservists are not being mobilized and are therefore better able to focus on the material covered in the briefing. DOD officials said that briefings at mobilization sites are a logical time to remind reservists of their available TRICARE benefits, but this is not the best time to expose reservists to TRICARE information for the first time. However, as of July 2006, DOD had no plans to require reserve components to increase the number of TRICARE briefings they provide to reservists or change the time that they provide them.<sup>140</sup>

Navigating TRICARE Web pages can be a daunting task at best. As GAO noted, DOD officials at the 2006 TRICARE Conference acknowledged that the Web site was cumbersome, with a satisfaction rate of less than 60 percent. DOD reported in January 2006 that its TRICARE Web site contained more than 538,000 pages of content and in excess of 300 subsites.<sup>141</sup> To its credit, TMA has added a “My Benefit” feature to its Web page at [www.TRICARE.mil](http://www.TRICARE.mil). The “My Benefit” section now offers information tailored to the status of the individual user and includes a “plan wizard” to assist in answering questions. Although progress in populating this section of the site has seemed slow, this feature should make information significantly easier to obtain for those family members with Internet access and for the volunteers and paid staff who provide information and assistance to family members.

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Telephone access to information and assistance is often a source of confusion and dissatisfaction to TRICARE users.

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Telephone access to information and assistance is often a source of confusion and dissatisfaction to TRICARE users. Each of TRICARE’s three managed care support contractors, who run the program for TMA within a geographic area, offers a toll-free number to provide help.<sup>142</sup> Anecdotal stories abound about the difficulties in navigating the telephone system to reach a knowledgeable individual willing or able to resolve a given problem. Instead of using the contractor’s 1-800 numbers, the family support workers and volunteers interviewed by the staff often relied on a benefits advisor they had managed to locate at a military treatment facility. Active and reserve component family members with access to nearby military treatment facilities often seek assistance there. Unfortunately, that option is not available to the many reserve component families living in more remote locations. In fact, they may find more confusion than help in the multitude of additional, and sometimes outdated, call-in numbers published by military treatment facilities and clinics and posted on Web sites. In May 2006, the Senate Armed Services Committee expressed frustration with TRICARE customer service:

The committee views improvements in customer service as a continuing challenge for the Department of Defense, and one which must be accorded high priority. . . . TRICARE has more than 14 separate toll free lines, each operated to address a specific program, such as the TRICARE pharmacy program, TRICARE for Life, or the TRICARE Dental Program. At the local level, individual telephone access numbers for appointments, benefi-

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140 GAO, “Military Health: Increased TRICARE Eligibility for Reservists Presents Educational Challenges,” GAO-07-195 (Report to Congressional Committees), February 2007, p. 21.

141 GAO, “Military Health: Increased TRICARE Eligibility,” p. 20.

142 “TRICARE Regional Contractors for the United States,” TRICARE Fact Sheets, September 18, 2006 ([www.tricare.mil/Factsheets/viewfactsheet.cfm?id=92](http://www.tricare.mil/Factsheets/viewfactsheet.cfm?id=92)).

ciary counseling, or debt collection multiply even further. The committee believes that the proliferation of separate telephone lines in a unified health benefits program represents an outdated solution to modern customer service support[.]<sup>143</sup>

**Finding:** TRICARE Management Activity and the military services need to undertake an aggressive educational campaign to help improve reserve component families' understanding of TRICARE. This campaign should include more briefings, Web pages, and printed materials prepared for first-time users, as well as the creation of a centralized ombudsman capability to assist families in solving their TRICARE problems.

## Options to Provide Continuity of Care for Reserve Component Families and to Increase Accessibility

Before making recommendations, the Commission explored a variety of potential alternatives to TRICARE for reserve component families.

### *The Federal Employees Health Benefits Program*

Civilian federal employees, retirees, and their survivors have a wide range of health care plan options from which to choose—"the widest selection of health plans in the country," according to the Office of Personnel Management.<sup>144</sup> Those options include health maintenance organizations, fee-for-service plans, preferred provider organizations plans, and plans that offer a point-of-service product. Blue Cross and Blue Shield plans cover about 57 percent of the 8 million federal employees, retirees, and their family members who receive their benefits through the FEHB program.<sup>145</sup>

There are some limitations, however:

- The employee must live in an area served by the selected plan.
- Some fee-for-service plans require a beneficiary to join the organization that sponsors the plan, and doing so usually involves a membership fee.
- Membership requirements or limitations may also apply to point-of-service products.
- Some plans limit enrollment to certain employee groups.<sup>146</sup>

*Beneficiary Costs.* Premium costs, co-payment requirements, and benefits differ from plan to plan and by geographic location. Employee-paid monthly premiums range from about \$71 for individual coverage in most states to as much as \$597 for family coverage in a higher-priced plan in New York State.<sup>147</sup> The federal government pays 72 percent of the average premium cost and a maximum of 75 percent of the total premium for any plan.<sup>148</sup>

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143 Senate Report 109-254, accompanying S. 2766, the National Defense Authorization Act for Fiscal Year 2007, 109th Cong., 2nd sess., May 9, 2006, pp. 351–52.

144 U.S. Office of Personnel Management, "Federal Employees Health Benefits Program: The FEHB Program," OPM.gov ([www.opm.gov/insure/health/about/fehb.asp](http://www.opm.gov/insure/health/about/fehb.asp)).

145 "Federal Employee Program," BlueCross BlueShield Association ([www.bcbs.com/coverage/fep](http://www.bcbs.com/coverage/fep)).

146 OPM, "Federal Employees Health Benefits Program."

147 U.S. Office of Personnel Management, "Federal Employees Health Benefits Program: Non-Postal 2007 FEHB Premiums," OPM.gov ([http://apps.opm.gov/rates/non\\_postal.cfm?year=2007](http://apps.opm.gov/rates/non_postal.cfm?year=2007)).

148 U.S. Office of Personnel Management, "Federal Employee Health Benefit Program: RI 70-1 for Federal Civilian Employees, Program Features," OPM.gov ([www.opm.gov/insure/07/guides/70-01/program\\_features.asp](http://www.opm.gov/insure/07/guides/70-01/program_features.asp)).

**Finding:** The Federal Employees Health Benefits Program (FEHBP) makes a variety of insurance plans available to federal employees nationwide at reasonable cost. It offers a viable alternative to TRICARE to assist in maintaining continuity of care for family members when service members are activated.

### *Health Savings Accounts*

Established through the Medicare prescription drug legislation enacted in December 2003, health savings accounts (HSAs) are private tax-preferred savings accounts owned by individuals that are used to pay for current and future medical expenses incurred by that individual, his or her spouse, or dependents. HSAs are available only to individuals who are covered by high-deductible health plans (HDHPs),<sup>149</sup> not covered by other health insurance, not enrolled in Medicare, and not claimed as a dependent on someone else's tax return. Specific medical benefits that make someone ineligible for an HSA are TRICARE, Medicare, flexible spending accounts (discussed below), and health reimbursement arrangements.

*Beneficiary Contributions.* For 2007, the maximum amount that can be contributed to an HSA from all sources (including both the individual and his or her employer) is \$2,850 for individual coverage and \$5,650 for family coverage.<sup>150</sup> HSAs provide significant tax benefits to those who take advantage of them: contributions are tax-deductible; earnings through investment are tax-free; and withdrawals for qualified medical expenses are tax-deductible.<sup>151</sup>

*Eligible Expenses.* HSA account funds may be used to pay for current medical expenses, including expenses that insurance does not cover, or may be saved for future needs. The individual decides

- Whether or not to contribute to the account.
- How much to use for medical expenses.
- Whether to save the account for future expenses or pay current medical expenses.
- Which medical expenses to pay from the account.
- Which company will hold the account.
- Whether to invest the money in the account.
- Which investments to make.

These accounts are completely portable. Individuals keep their HSAs if they change jobs or become unemployed, change medical coverage, move to another state, or change their marital status.<sup>152</sup> When an individual dies his or her spouse becomes the owner of the HSA; if the individual is not married, the account passes to his or her beneficiary as part of the estate.<sup>153</sup>

*Data on Use.* In April 2007, America's Health Insurance Plans (AHIP) reported that 4.5 million Americans were covered by the lower-premium, high-deductible health insurance plans that are offered in conjunction with health savings accounts, a 43 percent increase over the previous year. AHIP further

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149 A high-deductible health plan is defined as a health insurance plan with a minimum deductible of \$1,100 for individual coverage or \$2,200 for family coverage. Annual out-of-pocket costs (including deductibles and co-pays) cannot exceed \$5,500 for individual coverage or \$11,000 for family coverage. These are 2007 limits; they are indexed annually for inflation (U.S. Treasury Department, "All About HSAs," May 18, 2007, pp. 3, 8 [www.treas.gov/offices/public-affairs/hsa/pdf/all-about-HSAs\_051807.pdf]).

150 Treasury Department, "All About HSAs," p. 15.

151 Treasury Department, "All About HSAs," pp. 14, 25, 38.

152 Treasury Department, "Health Savings Accounts Basics," April 2005, p. 1 (www.treas.gov/offices/public-affairs/hsa/pdf/HSA-Tri-fold-english-07.pdf).

153 Treasury Department, "All About HSAs," p. 32.



found that one-fourth of those purchasing HSA plans in the individual market had previously been uninsured, and that almost half of those enrolled in such plans were over the age of 40.<sup>154</sup>

The Treasury Department reported that as of December 2005, 3.2 million individuals were covered by HSA-type insurance plans—a number that represents a sevenfold increase over the 438,000 who were covered in November 2004. (The program began in 2004.) Treasury further noted that of those covered at the end of 2005, 31 percent were previously uninsured individuals buying health insurance on their own; one-third were small businesses not previously offering coverage; and nearly one-half were age 40 or over.<sup>155</sup>

An August 2006 study by the Government Accountability Office found that just over half of all HSA-eligible plan enrollees and most employers contributed to HSAs, and account holders used their HSA funds to pay for current medical care and to accumulate savings. Specifically:

- About 55 percent of HSA-eligible plan enrollees reported HSA contributions to the IRS in 2004. Filers claimed an average deduction of about \$2,100 for their HSA contributions, and the average amount increased with income.
- About two-thirds of employers who offer HSA-eligible plans contributed to their employees' HSAs, with the average contribution \$1,064 in 2004.
- About 45 percent of filers who reported 2004 HSA contributions also reported withdrawing funds in 2004, and 90 percent of these withdrawals were for qualified medical expenses.<sup>156</sup>

HSA-eligible plan enrollees who participated in GAO's focus groups generally reported positive experiences, but most would not recommend the plans to all consumers. They "would recommend these plans to healthy consumers, but not to those who use maintenance medication, have a chronic condition, have children, or may not have the funds to meet the high deductible."<sup>157</sup>

*An Alternative to TRICARE?* As comments in the GAO focus groups indicated, HSAs may not be a good option for families with children. Families USA, for example, has raised several concerns regarding HSAs:

- High-deductible policies may not lead to economical choices by health care consumers.
- High-deductible policies encourage "sickness care," not "health care."
- HSAs and high-deductible plans will not control health care costs.
- The linkage of tax-advantaged programs (like HSAs) to high-deductible policies is extremely regressive.
- High-deductible policies will not help to solve the biggest problem—the growing number of Americans without health insurance.
- High-deductible policies will further fragment insurance markets, hurting those who need health care the most.<sup>158</sup>

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154 "4.5 Million Enrolled in Health Savings Account Plans," AHIP: America's Health Insurance Plans, press release, April 2, 2007 (<http://ahip.org/content/pressrelease.aspx?docid=19314>).

155 U.S. Department of the Treasury, "Fact Sheet: Dramatic Growth of Health Savings Accounts (HSAs)" ([www.treas.gov/offices/public-affairs/hsa/pdf/fact-sheet-dramatic-growth.pdf](http://www.treas.gov/offices/public-affairs/hsa/pdf/fact-sheet-dramatic-growth.pdf)).

156 GAO, "Consumer-Directed Health Plans: Early Enrollee Experiences with Health Savings Accounts and Eligible Health Plans," GAO-06-798 (Report to the Ranking Minority Member, Committee on Finance, U.S. Senate), August 2006, Highlights (n.p.).

157 GAO, "Consumer-Directed Health Plans," Highlights (n.p.).

158 Families USA, "Six Reasons to Be Wary of High-Deductible HSA Plans," December 2006 ([www.familiesusa.org/assets/pdfs/hsas-six-reasons-to-be-wary.pdf](http://www.familiesusa.org/assets/pdfs/hsas-six-reasons-to-be-wary.pdf)).

**Finding:** Military families currently are not eligible to use health savings accounts instead of TRICARE for service family members' health care costs. If they are enrolled in TRICARE, then they are automatically excluded by law from opening an HSA. If that restriction were lifted, then, under current law, they would have to be covered by a high-deductible health plan to qualify.

**Finding:** HSAs may not be a good option for families with children or for members who have a chronic condition or require maintenance medication.

### *Flexible Spending Accounts*

A flexible spending account is a tax-advantaged financial account offered by employers, either through a cafeteria plan (i.e., one among a number of options) or as a stand-alone plan. There are two kinds of FSAs: health care spending accounts and dependent care spending accounts. Employers may offer one or both types, but contributions to each must be treated separately.<sup>159</sup>

*Beneficiary Contributions.* Employees determine how much pre-tax money they will contribute to an FSA at the start of each plan year. There is no legal limit on the amount that may be contributed to a health care spending account, although the plan sponsor may set a limit. Contributions to a dependent care FSA may not exceed \$5,000 per year. Any contributions left unspent at the end of the plan year are forfeited by the employee.<sup>160</sup>

*Eligible Expenses.* A health care spending account may be used to pay medical expenses that qualify under Internal Revenue Code section 213. These include payments for the diagnosis, treatment, or prevention of disease, and for treatments affecting any part or function of the body. The expenses must be for the alleviation or prevention of a physical defect or illness. Certain over-the-counter medications (those which previously required a prescription) are also reimbursable through a health care FSA.<sup>161</sup>

*Data on Use.* According to a study by Mercer Human Resource Consulting, in 2005, 26 percent of employers with 10 or more employees offered a health care FSA, and 35 percent of eligible employees were participating. In 2005, the average contribution to a health care FSA was \$1,235 among employees in all participating firms.<sup>162</sup>

The same study also reports that in 2005, 27 percent of employers with 10 or more employees offered a dependent care FSA, and 14 percent of eligible employees were participating. In 2005, the average contribution to a dependent care FSA was \$2,630 among employees in all participating firms.<sup>163</sup>

*An Alternative to TRICARE?* While the Department of Defense does not offer flexible spending accounts to either active or reserve component members, the draft of the 10th Quadrennial Review of Military Compensation (QRMC) reviewed by the Commission includes a recommendation to make the federal civilian flexible benefits program (FedFlex) available to members of the military. As discussed in "Service Member Protections," above, both the Internal Revenue Code and USERRA

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159 Employee Benefit Research Institute (EBRI), "Facts from EBRI: Flexible Spending Accounts," May 2007, p. 1 ([www.ebri.org/pdf/publications/facts/0507fact-flexspend.pdf](http://www.ebri.org/pdf/publications/facts/0507fact-flexspend.pdf)).

160 EBRI, "Facts from EBRI: Flexible Spending Accounts," pp. 1–2.

161 EBRI, "Facts from EBRI: Flexible Spending Accounts," pp. 1–2.

162 Study cited in EBRI, "Facts from EBRI: Flexible Spending Accounts," p. 1.

163 EBRI, "Facts from EBRI: Flexible Spending Accounts," p. 2.

will need to be amended to provide greater flexibility for members of the military who are deployed to allow unspent funds to carry over to future years.<sup>164</sup>

**Finding:** Flexible spending accounts can offer some tax advantages to family members, but they cannot be used with TRICARE. While they make it possible to pay out-of-pocket health and dependent costs with tax-free dollars, all of the funds in the accounts are contributed by the worker.

### *Stipend to Retain Private Insurance Coverage During Activation*

Reserve component members who are activated for more than 30 days under federal authorities are automatically covered by TRICARE; their family members have the choice of using TRICARE or continuing their private health insurance. While the latter provides the family member with continuity of care, particularly important for those with chronic conditions, it is significantly more expensive for the individual unless the employer pays the cost of retaining family members in the company plan. Further complicating the decision is that some family members of reservists have had considerable difficulty in accessing the TRICARE system, as discussed previously.<sup>165</sup>

There have been several legislative proposals to give reserve component members the option of accepting a stipend from DOD to help defray the cost of continuing private health insurance for their family members when they are activated for more than 30 days.<sup>166</sup> To examine the implications of these proposals, the National Defense Authorization Act for Fiscal Year 2005 instructed the Government Accountability Office to determine the cost and feasibility of providing such a stipend to members of the Ready Reserve.<sup>167</sup>

GAO found, drawing on Congressional Budget Office costing, that offering a health care stipend to reserve component members could cost DOD \$365 million to \$735 million over a five-year period (FY 2006–FY 2010), excluding the program’s administrative costs. Using a 75 percent participation rate, including administrative costs (which DOD estimates would be \$10 million for the first year and \$20–25 million annually thereafter), and assuming that the number of activated reserve component members will decrease each year, health care stipends would cost DOD \$230 million more over a five-year period than would providing TRICARE to these family members.<sup>168</sup>

*An Alternative to TRICARE?* The stipend option has continued to garner interest. In its April 2006 report, the Defense Advisory Commission on Military Compensation noted that most activated reserve component members “choose to retain their civilian employer health insurance in order to maintain continuity of care for their families. Reserve members who are called to active duty but who choose not to participate in TRICARE should be offered a stipend or payment to help defer the cost of their alternative insurance—perhaps deposited into the equivalent of a health savings account.”<sup>169</sup> The National Defense Authorization Act for Fiscal Year 2008 authorizes the Secretary of Defense to pay a stipend for continuing health care coverage to reserve members called to

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164 Office of the Secretary of Defense, “10th Quadrennial Review of Military Compensation,” brief presented to CNGR by Brigadier General Denny Eakle (ret.), September 17, 2007, slide 9.

165 Derek B. Stewart, Director, Defense Capabilities and Management, Government Accountability Office, letter to Senators John Warner and Carl Levin and Representatives Duncan L. Hunter and Ike Skelton, October 19, 2005, pp. 1–2 ([www.gao.gov/new.items/d06128r.pdf](http://www.gao.gov/new.items/d06128r.pdf)).

166 Stewart, letter to Senators Warner and Levin and Representatives Hunter and Skelton, p. 2.

167 Public Law 108-375, §702.

168 Stewart, letter to Senators Warner and Levin and Representatives Hunter and Skelton, p. 3.

169 *The Military Compensation System*, p. 102.

active duty who have a dependent possessing “a special health care need that would best be met by remaining in the member’s civilian health care plan.”<sup>170</sup>

A stipend could be provided in one of several ways. First, it could be given directly to the service member. If so, it should be treated as a nontaxable allowance similar to basic allowance for housing or basic allowance for subsistence. In response to concerns that the member might spend the allowance on something other than health care, DOD could require the member to certify (with substantiating documentation) that the allowance had been used for specified health care costs. Service members submitting fraudulent certification could be subject to disciplinary action under the Uniform Code of Military Justice.<sup>171</sup> A precedent was established in the special pharmacy benefit authorized by Congress for Medicare-eligible retirees who had previously depended for their medications on a military treatment facility pharmacy shut down by base closures. To establish eligibility for the new pharmacy benefit, retirees had either to live in an area where the military treatment facility was “adversely affected” by base closure or realignment<sup>172</sup> or, if not resident in the immediate “catchment” area, to be able to demonstrate that they had relied on a military treatment facility in a closed base for pharmaceuticals.<sup>173</sup> Retirees living outside the catchment area had to complete a Declaration of Reliance form, certifying that they had used pharmacy services from that facility in the previous 12 months.<sup>174</sup> Second, DOD could establish a mechanism to reimburse employers directly. Or, third, Congress could enact a tax credit for employer expenses in providing health care coverage to the reserve component employees, in lieu of the current business tax deduction.<sup>175</sup> While the amount of the stipend or tax credit could be based on an actuarially determined cost of the TRICARE benefit,



Family support panel at May 2007 hearing.

170 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §704.

171 Chapter 47 of Title 10, United States Code.

172 Public Law 102-484, *National Defense Authorization Act for Fiscal Year 1993*, October 23, 1992, §702.

173 Public Law 103-337, *National Defense Authorization Act for Fiscal Year 1995*, October 5, 1994, §706. The “catchment area” is a “[d]efined geographic area served by a hospital, clinic, or dental clinic and delineated on the basis of such factors as population distribution, natural geographic boundaries, and transportation accessibility. For the DoD Components, those geographic areas are determined by the Assistant Secretary of Defense (Health Affairs) and are defined by a set of 5-digit zip codes, usually within an approximate 40-mile radius of military inpatient treatment facilities” (“Glossary Terms & Acronyms/Abbreviations,” MHS Optimization and Population Health Support Center, [www.tricare.mil/mhsophsc/mhs\\_supportcenter/glossary/Cg.htm](http://www.tricare.mil/mhsophsc/mhs_supportcenter/glossary/Cg.htm)).

174 *Navy and Marine Corps Medical News*, MN-99-18, May 7, 1999 ([www.navy.mil/navydata/news/mednews/med99/med99018.txt](http://www.navy.mil/navydata/news/mednews/med99/med99018.txt)).

175 For all but personal service corporations, the tax rate on corporations is determined by the corporation’s taxable income. (Qualified personal service corporations are taxed at a flat rate of 35 percent.) Those with taxable income of \$50,000 or below pay 15 percent; those with taxable income between \$50,000 and \$75,000 pay \$7,500 + 25 percent; and those with taxable income above \$75,000 pay a flat amount on a portion of their income and 34–39 percent on the remaining portion of their income (Internal Revenue Service, Publication 542, “Corporations,” revised February 2006, p. 17). In contrast, a business credit is subtracted directly from taxes (Internal Revenue Service, “Business Tax Credits,” [www.irs.gov/businesses/small/article/0,,id=99839,00.html](http://www.irs.gov/businesses/small/article/0,,id=99839,00.html)).



the amount of the tax credit would be determined by the actual amount the employer pays for the employee's health care and claims on his or her taxes.

## Health Care as a Component of an Enhanced Compact with Employers

As discussed earlier, finding a provider willing to accept TRICARE remains a significant challenge for many reserve component families, particularly those who live outside Prime service areas, where they must rely on TRICARE Standard or TRICARE Extra. Particularly burdened are those families who must switch from the providers in their employers' civilian plans who do not accept TRICARE to new providers with whom they are unfamiliar. Despite the potential additional cost, the Commission believes a stipend would be an important component of ensuring continuity of care for the families of activated reserve component members. The Commission applauds Congress for passing the stipend provision in the NDAA for FY 2008 but recommends that its application be broadened to all reservists. A stipend is a particularly important benefit for families in view of the continued operational role that the National Guard and Reserves are expected to play for the foreseeable future. The stipend could be paid to the service member or, alternatively, a stipend could be made to the employer, either directly or through tax credits. But payment of a stipend would do more than provide an important benefit for families: together with the expansion of TRICARE Reserve Select eligibility,<sup>176</sup> it would constitute a major element of an enhanced compact with employers, whose continued support, like that of families, is essential to recruiting and retaining top-quality young men and women in the National Guard and Reserves. As a result, the Commission recommends a stipend option in lieu of other potential benefit enhancements.

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. . . payment of a stipend[,] . . .  
together with the expansion of  
TRICARE Reserve Select eligibility,  
. . . would constitute a major ele-  
ment of an enhanced compact with  
employers.

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**Finding:** A stipend provided by DOD to the service member or employer to retain coverage for family members during activation could help maintain continuity of care for the member's family and could provide an incentive for employers to hire reservists.

### Recommendations:

61. Congress should direct DOD to resolve long-standing issues for families not located near military treatment facilities (MTFs). This direction should include mandates to
  - a. Update educational materials to be more user-friendly, written in easy-to-understand language.
  - b. Establish an Assistant Secretary of Defense for Health Affairs ombudsman office, with a single toll-free customer support number, for family members who do not have convenient access to an MTF benefits counselor to resolve problems.
  - c. Simplify the TRICARE claims and reimbursement process to eliminate current disincentives that discourage providers from participating in the TRICARE program.

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<sup>176</sup> Public Law 109-364, NDAA for FY 2007, §706.



62. In addition to offering TRICARE Reserve Select to all members of the Selected Reserve, Congress should amend the law to permit reserve component members to participate in the Federal Employees Health Benefits Program (FEHBP). When the service member is activated, with or without the member's consent, DOD should pay the premiums for coverage of the service member's family. When the member is inactivated, however, the member should again pay the premiums, as is now the practice, for TRICARE Reserve Select.
63. Congress should establish a program that provides the activated service member with a stipend (whose use for medical care must be certified) or provides the employer either a direct stipend or a tax credit as reimbursement for the cost of keeping the member's family in the employer's health insurance plan during the period of activation; the stipend should be based on an actuarially determined cost of the TRICARE benefit.

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... the Commission was repeatedly reminded of the central role played by family members as reservists make crucial decisions about their future participation in the armed forces.

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## D. ENHANCING FAMILY SUPPORT

A large portion of the Commission's recommendations in the preceding section centered on health care not only for a reserve component member but also for that reservist's family. During roundtable discussions and public hearings, the Commission was repeatedly reminded of the central role played by family members as reservists make crucial decisions about their future participation in the armed forces. The Commission therefore resolved to recommend positive changes to current family support programs, taking into account how activations are affecting reserve component spouses, dependents, parents, and other family members.

All services are charged with the ongoing challenge of finding the most effective way possible to communicate with families—a particularly daunting task for families new to the military.

The seven reserve components' family programs as they exist today can be summarized as follows:

- The Navy Reserve<sup>177</sup> and Marine Corps Reserve<sup>178</sup> depend heavily on a robust volunteer network, Navy ombudsmen, and Marine Corps key volunteers.<sup>179</sup>

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177 "The Navy Reserve for many years has followed the active duty Navy model for family support using the ship or unit ombudsman as the main intermediary between the command and families during deployments. Selected by the commanding officer, the Navy Family Ombudsman is a spouse of a member of the command who voluntarily serves as the official liaison between the command and its families." (National Military Family Association, statement submitted for the record to the CNGR, June 30, 2006, p. 8). For more information, see the home page of the Navy Fleet and Family Support Center ([www.nffsp.org/skins/nffsp/home.aspx](http://www.nffsp.org/skins/nffsp/home.aspx)).

178 "The Marine Forces Reserve Command (MARFORRES) uses the Marine Corps Community Services (MCCS) model for family readiness, focusing on the Key Volunteer network and the Family Readiness Officer (FRO) as the foundation for family support" (NMFA, statement to the CNGR, p. 9). For more information, see NMFA, statement to the CNGR, *passim*.

179 NMFA, statement to the CNGR, pp. 8–9.

- The Air Force Reserve<sup>180</sup> has a volunteer program, and the Air Force Reserve Family Matters office works with airmen and their families in each unit.<sup>181</sup>
- The Army Reserve<sup>182</sup> includes volunteers in its family programs, but there are a number of shortcomings and gaps in these programs, including serious underfunding, leaving some Army Reserve families without the support that they need.<sup>183</sup>
- The Air and Army National Guard employ a “purple” family program within each state and territory.<sup>184</sup> Each state and territorial National Guard headquarters has one or more state family program offices, at least one wing family program coordinator, and one state family program coordinator.<sup>185</sup>
- “The family readiness program for families of the Coast Guard Reserve bears a strong resemblance to the program in place for the active duty Coast Guard. All families are geographically dispersed with small commands and very few installation based support services. . . . The Coast Guard uses an ombudsman system similar to the Navy, with volunteers serving as liaisons between the command and the families. An Ombudsman can assist families in locating resources, communicate information from the command to the families, and take concerns of families to the command. Extensive training is available for the ombudsman.”<sup>186</sup>

## Reserve Component Family Support Challenges

### *Geographic Isolation*

Most of the family support witnesses who appeared before the Commission during its May 2007 hearing commented on their service’s attempt to deal with families who are geographically dispersed. All services, whether undertaking unit activation or individual activation, must surmount the hurdle of communicating effectively with family members who live far away from any base and thus lack access to support. A service’s ability to successfully maintain links to such families is tantamount to comprehensive family support.<sup>187</sup>

As the National Military Family Association pointed out in testimony submitted to the Commission:

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180 “The Air Force Reserve Family Matters office is a part of the Active Duty Air Force Office of Family Matters. Each individual major command is responsible for their command programs with coordination by the AF Headquarters Office of Family Matters Director. Each individual AF Reserve unit has a family readiness office” (NMFA, statement to the CNGR, p. 8).

181 NMFA, statement to the CNGR, p. 8.

182 “The Army Reserve Family Program has the dual challenge of providing support to families who are members of unit family readiness groups and the families of individual augmentees” (NMFA, statement to the CNGR, p. 6). For more information, see the home page of the Army Reserve Family Programs (Online), [www.arfp.org](http://www.arfp.org).

183 Michael Evans, testimony before the CNGR, Hearing on Employer and Family Support: Family Support, May 17, 2007, transcript, p. 10.

184 The National Guard Joint Family Assistance Centers are considered truly “purple” centers (NMFA, statement to the CNGR, p. 4). The Air and Army National Guard have a Joint Family Assistance Center in each state, normally situated at each state’s Joint Force Headquarters. Each center is there not only to serve families of Air and Army National Guard members but also to assist family members of other reserve components. For more information, see the National Guard Family Program Web site, [www.guardfamily.org](http://www.guardfamily.org).

185 “One Guard One Family,” home page of the National Guard Family Program Web site ([www.guardfamily.org/Public/Application/Welcome.aspx?ngbcid=FamilyMember](http://www.guardfamily.org/Public/Application/Welcome.aspx?ngbcid=FamilyMember)); NMFA, statement to the CNGR, pp. 4–5.

186 NMFA, statement to the CNGR, p. 9.

187 For example, on September 17, 2007, the Army announced a new program, the Army Integrated Family Support Network, which was “specifically designed with ‘geographically dispersed’ Soldiers and Families in mind” ([www.army.mil/newsreleases/2007/09/17/4893-army-reaches-out-to-support-all-families/](http://www.army.mil/newsreleases/2007/09/17/4893-army-reaches-out-to-support-all-families/)).

Family readiness requires the availability of coordinated, consistent family support provided by well trained professionals and volunteers. . . . For the families of those serving in the National Guard and Reserve, the availability and scope of these programs is directly impacted [by] many factors. Many programs are very service or component specific, and vary if the service member is deployed as part of a unit or as an individual augmentee. The availability is further constricted by communication hurdles—how do these geographically dispersed families and the families of individual augmentees without a designated support group find out about existent programs?<sup>188</sup>

**Finding:** Reserve component family members face special challenges because they are often at a considerable distance from military facilities and lack the on-base infrastructure and assistance available to active duty family members.

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“I agree with the idea of having centers that could cross branches. I think it’s ridiculous to have several people being paid to do the same job for different services.”

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### “Purple” Access

As noted previously, the National Guard Bureau offers family assistance programs in each state and territory. Although this is a significant capability, not all family members of deployed reserve component members can access the state family programs office or family assistance centers. Further, information that is service-specific may not be readily available for those staff members involved in Army and Air Guard family programs. Amie Minich, a Navy ombudsman, pointed to the problems caused by each branch of the military having “their own tailored set of resources and information that is available. And I think if we had one system that would cover all branches and all of the ombudsmen and all the key volunteers, that we could all access that information and be able to pick resources from any area in the United States, I think that would be fabulous.”<sup>189</sup>

Jill McMillin, an Army National Guard family readiness group leader, voiced support for some kind of “purple” access to services:

I would also suggest that we have many common concerns and a lot of equal things. I agree with the idea of having centers that could cross branches. I think it’s ridiculous to have several people being paid to do the same job for different services. It would be smart for us to have a one-stop shop maybe that could help us. And also, we’re in a community together. And I have found a marine wife who feels like I do, and our kids are in school together. And we never knew that until we both faced deployment. So I think that we do a lot of double-work, when we don’t have to in the National Guard and Reserves. I think we could utilize each other and cross-train folks on all the branches.<sup>190</sup>

Michael Dominguez, Principal Deputy Under Secretary of Defense for Personnel and Readiness, commented on the most recent DOD initiatives within the family support arena in his June 2007 testimony to the Commission: “Per direction in the FY 2007 National Defense Authorization Act, the Department is designing a regional joint family support model. Two critical components of the model involve building coalitions and connecting Federal, state, and local resources and non-profit

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188 NMFA, statement to the CNGR, p. 2.

189 Minich, testimony before the CNGR, transcript of May 17, 2007, hearing (Family Support), pp. 35–36.

190 Jill McMillin, testimony before the CNGR, Hearing on Employer and Family Support: Family Support, May 17, 2007, transcript, p. 39.

organizations to support Guard and Reserve families. Best practices and lessons learned from 22 Inter-Service Family Assistance Committees and the Joint Service Family Support Network will guide the planning process. The program will provide mobile outreach and support services to families throughout the regional areas.”<sup>191</sup>

**Finding:** Military family members today believe that all families in the community should enjoy a comparable level of “purple” support services, regardless of service or component—with adequate funding and staffing resources.

### *Military OneSource*

According to the Department of Defense, “Military OneSource delivers a customized approach and is available 24/7, 365 days of the year, from any place, at any time, tailoring services specifically to individuals and individual families. By calling the 1-800 telephone number, . . . military families can obtain information” on a myriad of topics covering everything from child care to home repairs.<sup>192</sup> The Marine Corps was the first to pilot the OneSource concept and believes in its effectiveness as a tool for family support.<sup>193</sup>

The December 2006 *Status of Forces Survey of Reserve Component Members* showed that 18 percent of reservists had accessed Military OneSource in some fashion, but when asked about the “primary reason for not using Military OneSource,” 68 percent of respondents were not familiar with it.<sup>194</sup>

During a Senate Armed Services Committee hearing on April 18, 2007, participants on a panel of military spouses were asked if they had experience using Military OneSource. Connie McDonald, from Fort Hood, Texas, said that she does mention the program to other Army spouses, and she implored those in charge of Military OneSource to flood “the market with information” about the benefits of using it: “I will tell you that I agree that it’s underutilized, but I think, as we continue with this, it’s going to be mouth-to-mouth . . . success stories that is going to make the next person call.”<sup>195</sup> When asked what single thing could most improve family support, Andrea Rollins, a U.S. Marine Corps Reserve Key Volunteer Advisor who testified before the Commission, similarly commented, “There are so many programs out there available—Military One Source. I guarantee you, the majority of our reserve families don’t know anything about it—or . . . the amazing things that Military One Source can do for you.”<sup>196</sup>

**Finding:** Military OneSource is the best current program providing “one-stop shopping” for military family support services, but it is underadvertised and underutilized.

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191 Deputy Under Secretary Dominguez, prepared statement, June 20, 2007, p. 34. Minnesota’s “Beyond the Yellow Ribbon” reintegration program (discussed later in this chapter), researched by the University of Minnesota, will serve as a model with a funded Community Reintegration Coordinator position. Hawaii, Oregon, New Hampshire, Arkansas, and Ohio have volunteered to be models.

192 Department of Defense, *Report of the 1st Quadrennial Quality of Life Review* ([Washington, DC]: Office of the Under Secretary of Defense (Personnel and Readiness), 2004), p. 62.

193 NMFA, statement to the CNGR, p. 9.

194 DMDC, *December 2006 Status of Forces Survey*, pp. 228, 230.

195 Connie McDonald, testimony before the Senate Armed Services Committee, Hearing on Active Duty Military Family Support Programs, unofficial transcript of April 18, 2007, p. 49.

196 Rollins, testimony before the CNGR, transcript of May 17, 2007, hearing (Family Support), p. 36.

### *Family Program Funding*

One issue raised repeatedly throughout the Commission hearing on May 17, 2007, was that of funding. Although no specific figures were given, the witnesses all concluded that more money was needed to sustain both the current volunteer network in each reserve component and the paid staff supporting those volunteers. The most passionate advocate for more financial support was Michael Evans, an Army Reserve family programs regional manager based at Fort Snelling, Minnesota. In his opening statement, he criticized the current state of the U.S. Army Reserve family program and explained why better program oversight and more funding are badly needed:

We know our programs are successful because our families are telling us that it works, but our programs have been seriously underfunded. Most of our volunteers are spouses, the very people we are in desperate need of reaching. An assessment of Army Reserve Family programs in 2004 found a number of shortcomings and gaps in our programs. One of the shortcomings and gaps was we relied too heavily on volunteers to do some critical tasks upon mobilization. The report also found that resources were not prioritized in most instances and lacked command emphasis.

Command support varies widely and though no commander says family programs are unimportant, their commitment is not regularly or consistently emphasized to their subordinates. In general, there's an overall lack of accountability at that unit level to make sure that they implement these programs to be successful.<sup>197</sup>

Ms. Rollins urged that more counselors be made available at pre-deployment and post-deployment briefings:

And one thing, I think that would especially help in Marine Corps Reserve, there are a lot of resources available; there are certain counselors that will come to the pre-deployment briefs or the post-deployment briefs or family days. But there are so few of them and so many reserve stations across the country that there are only a handful of people that need to be in so many places. So I think if more funding were available, you could have more of the trained professionals that could go to the sites because they are so remote.<sup>198</sup>

Laura Coseglia, an Air Force Reserve family support director, noted, "Well, I don't see the Guard and Reserve actually cutting back on the use of our airmen in the very near future, so I think family support programs are more important now than ever. . . . So while we're providing support to our families all through the year, we can't rely on the services of the active duties when we're doing that until our people are actually put on orders. So funding continues to be an issue."<sup>199</sup>

In its statement submitted to the Commission, the National Military Family Association also commented on the state of family readiness in the U.S. Air Force Reserve: "Multiple deployments and frequency of these deployments have increased the demand for AFR family programs, such as employment, financial assistance, children dealing with being separated from parents (duty separation), stress on marital relationships, balancing work and life situations. AFR families say assistance needs to be available 365 days a year, not just when a deployment happens, in order for them to be adequately prepared to deal with the unpredictability of the warfighting construct and becoming 'suddenly military' as a Citizen Airman family."<sup>200</sup>

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197 Michael Evans, testimony before the CNGR, Hearing on Employer and Family Support: Family Support, May 17, 2007, transcript, p. 10.

198 Rollins, testimony before the CNGR, transcript of May 17, 2007, hearing (Family Support), p. 40.

199 Laura Coseglia, testimony before the CNGR, Hearing on Employer and Family Support: Family Support, May 17, 2007, transcript, p. 40.

200 NMFA, statement to the CNGR, p. 8.



*Family Support Infrastructure at the Deploying Unit Level*

The Center for Strategic and International Studies' 2006 report titled *The Future of the National Guard and Reserves* strongly advocates that every unit have one full-time paid staff member to assist reserve component family members when their loved ones are deployed:

The deployment of Reserve Component individuals and units for extended periods results in spouses and families remaining behind in communities that do not have the family support infrastructure comparable to those that exist on active duty military installations. This lack of an available, trained support network can intensify the uncertainty, isolation, and frustration experienced by spouses and family members of deployed Reserve Component personnel. Ultimately, this results in a degradation of "family readiness" that can have a negative impact on the performance of deployed service members and can, indirectly, reduce retention. Incorporating permanent, trained family advocacy capacity at the deploying unit level across all reserve components would go a long way toward redressing this problem. This capability could be in the form of a Federal employee, contractor, or non-appropriated fund employee who would remain as part of the "home station cadre" when a unit deploys, and be integrated with other services including TRICARE liaison.<sup>201</sup>

*The Role of Volunteers*

During the Commission's hearing in May 2007, members of a panel of family support volunteers and paid staff were asked about two aspects of the volunteer programs in their service: (1) Was the volunteer pool robust enough to sustain contact with family members of deployed service members? (2) Were paid staff necessary to augment volunteer efforts? The witnesses agreed that while volunteers were needed so that family members could maintain a sense of belonging to the command, all volunteers could (and would) use any available paid staff to help with planning functions, sending out mailings, and various other administrative duties currently left to volunteers only. Mr. Evans remarked:

[I]n 2001, . . . we had 22 paid full-time staff in Army Reserve Family Programs, and we relied heavily on volunteers at the unit level to implement family programs. So in theory, each truck company would have a Family Readiness Group with volunteers to provide services and support to families. But reality was—and that was found in our assessment—is that the volunteers, even though they had great intent, some of those critical tasks that and things that we needed done, they weren't able to accomplish. They were spouses with full-time jobs trying to take care of the home front while the soldier was in theater, and quite frankly, they couldn't do it all.<sup>202</sup>

Ms. Minich said, "The Navy is in the process of hiring family support program administrators. . . . [K]eep funding that for us, because we do need those people available that can answer the bigger questions that we might not have the time to research and give a good thorough answer on."<sup>203</sup>

Ms. McMillin echoed the panel's support for having both a strong volunteer network and paid staff dedicated to volunteer support:

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201 Christine E. Wormuth, Michèle A. Flournoy, Patrick T. Henry, and Clark A. Murdock, *The Future of the National Guard and Reserves: The Beyond Goldwater-Nichols Phase III Report* (Washington, DC: Center for Strategic and International Studies, 2006), p. 114.

202 Evans, testimony before the CNGR, transcript of May 17, 2007, hearing (Family Support), pp. 11–12.

203 Minich, testimony before the CNGR, transcript of May 17, 2007, hearing (Family Support), pp. 30–31.

I think that would be an outstanding idea to have a combination. I think you would need to have some volunteers at your unit level, because you need that for camaraderie; you need that for many different—you're experiencing the same things. There is a lot of reasons to have volunteers. . . . I mean, there's so many demands on our families. I had many leaders who stepped up to the plate, but they also had fulltime jobs . . . I could have had some [paid] support.<sup>204</sup>

Ms. Coseglia told the Commission, "Yes, no doubt. A volunteer program is what has sustained, I believe, reserve families throughout this entire process. So I think you need a nice combination of both. The problem that we do have is constant turnover of volunteers. So we do have that issue—volunteers are great, but sometimes it's hard to sustain them over long periods of time as well."<sup>205</sup>

Ms. Rollins added, "In the Marine Corps, the PWS[T, Peacetime Wartime Support Team] and the I[&]I [Inspector-Instructor] would probably equate to the paid position what you're speaking of. However, on a personal note, with the key volunteers, I don't know how I could have personally made it through the two deployments—pretty much back-to-back—without the key volunteer network and the impending third one coming up."<sup>206</sup>

**Finding:** A robust network of reserve component family members who serve as volunteers assisting other RC family members is a critical component of an effective family support program.

**Finding:** Family readiness suffers when there are too few paid staff positions within family support programs to help maintain the volunteer network's administration.

### *Family Participation in Mobilization and Demobilization*

Participants in several of the focus group sessions stated that family member involvement during mobilization and in the demobilization process would have aided greatly in the reservist's transition back to reserve or civilian status. Many spouses take care of the financial and medical planning in the family and would have benefited from hearing about these matters firsthand. Roundtable participants emphasized that communication with families about benefits and points of contact is as important as providing this information directly to the service member because, in many cases, information given to the service member never makes it back to the spouse or family.<sup>207</sup>

When Commission staff met with staff of the Army G-3 in June 2006, they stated that because individuals are drawn from units across the country, there is no way to adequately reach out to all the affected family members. As a result, families lack a support system and access to the information

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"[We] are concerned about the adequacy of support available to families of deployed service members, particularly the support available to families of National Guard and reserve personnel who are not located in the vicinity of a military installation with extensive family support programs."

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204 McMillin, testimony before the CNGR, transcript of May 17, 2007, hearing (Family Support), p. 30.

205 Coseglia, testimony before the CNGR, transcript of May 17, 2007, hearing (Family Support), p. 31.

206 Rollins, testimony before the CNGR, transcript of May 17, 2007, hearing (Family Support), p. 31.

207 MFR of Commission meeting with Focus Group I [reserve component enlisted service members], San Antonio, TX, July 19, 2006; MFR on Roundtable Panel on Mobilization and Demobilization, August 21, 2006; MFR of Commission meeting with Personnel & Compensation Focus Group, San Diego, CA, September 18, 2006.

needed to use military benefits.<sup>208</sup> The Commission believes that family involvement during mobilizations and demobilizations is key to taking care of military families.

### *Congressional Action*

Over the past several years, Congress has given increased emphasis to DOD family support programs. Most recently, the National 2008 Defense Authorization Act for Fiscal Year 2008 includes the establishment of a “Department of Defense Military Family Readiness Council”; it also requires the Department to “develop policy and plans [in] support of military family readiness,” including the improvement of current programs used by active and reserve families of deploying service members.<sup>209</sup> The conferees note, “[We] are concerned about the adequacy of support available to families of deployed service members, particularly the support available to families of National Guard and reserve personnel who are not located in the vicinity of a military installation with extensive family support programs. The conferees strongly encourage the Secretary of Defense to expeditiously implement and improve programs that will enhance the support available to these families.”<sup>210</sup>

#### **Recommendations:**

64. DOD should create a “purple” system, available to employees of any DOD family assistance center via the Internet and phone, that would allow any family member access to needed information.
65. DOD should increase funding within reserve component budgets for family support services to ensure that there are sufficient paid staff members within these programs to maintain the services’ volunteer networks. In order to reduce the isolation of reserve component families, DOD should place a paid, full-time employee charged with family support at the unit level in all units (and the term *unit level* should be defined by each component) to augment the existing volunteer network.
66. DOD should initiate and execute a massive information campaign to educate reserve component members and their families about the capabilities offered by the Military OneSource program.
67. DOD should change its policies to increase the amount of family participation in the mobilization and demobilization process in order to help educate family members about benefits, health care, family support programs, potential demobilization issues, and other family concerns.

## **E. ESTABLISHING A COMPACT WITH EMPLOYERS**

Like families, reserve component employers have a major influence on whether reservists continue their reserve participation and on the level of that participation. As noted in this chapter’s section on service member protections, clear legal and policy guidelines exist that govern the mutual obligations and expectations of reserve component employees and their employers when those employees are activated. However, another element of reserve component employer support has received too little attention: the relationship between the employer and the Department of Defense, the

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208 MFR of CNGR staff meeting with Army staff on Army Mobilization Process, June 6, 2006.

209 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §§581, 583.

210 House Report 110-477, §583.

two entities that demand the reserve component member's time and commitment. After carefully reviewing the often tenuous relations between the two, the Commission made recommendations to strengthen and formalize their connection. These changes not only will provide much-needed support to employers but will make it easier for all reserve component members who also have civilian employers to please both masters.

The nation's reserve component employers have been asked to make many sacrifices during this time of war. The Commission has heard from both public- and private-sector employers and strongly commends them. Without the individual support and sacrifices of all those who employ reservists, those soldiers, sailors, airmen, marines, and coast guardsmen could not fully defend this country.

As General John W. Hendrix, Commanding General, U.S. Army Forces Command, put it, "With the heavy reliance on the Guard and Reserve by active forces, we must do all we can to ensure their full-time employers are aware of the importance of the role these soldiers play in national defense. When mobilized, Guard and Reserve soldiers will perform their active duty missions much better with the knowledge that their employers support their mobilization."<sup>211</sup>

In July 2002, DOD released a report titled *A New Social Compact: A Reciprocal Partnership Between the Department of Defense, Service Members and Families*; it details the Department's new relationship with all service members, inaugurated by the beginning of the war on terror. Section 11 of the report focuses on reserve component members and the unique relationship between them, DOD, and reserve component employers. A team of experts was tasked with presenting both the current reality of employer support for the reserves and the direction that reserve component employer support should take in the future.

Discussion focused on relationships among the DoD and employers, and Reserve Component members' impact on the national military strategy. It was readily apparent that there is a strong compact between the Reserve member and DoD, and the Reserve member and his employer, but there is less of a compact between DoD and the employers of the Reserve members. This three-way relationship tends to place more stress and focus on the Reserve member honoring the compact with DoD and with the employer than the other two parties and their compacts. The team soon reached consensus that the vision must be: *The Department of Defense, employers, and employees jointly embrace and enhance Guard and Reserve service to America. DoD, employers, and Guard and Reserve Members must work collaboratively in support of our Nation and its defense.*<sup>212</sup>

The report also includes a chart, shown here as Figure V.2, outlining short-term, mid-term, and long-term plans for improving the relationship between reserve component employers, reserve component members, and DOD.

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211 "FORSCOM: Employer Support of the Guard and Reserves," June 28, 2003 ([www.forscom.army.mil/esgr/](http://www.forscom.army.mil/esgr/)); quotation dated January 2000.

212 Deputy Assistant Secretary of Defense (Military Community and Family Policy), *A New Social Compact: A Reciprocal Partnership Between the Department of Defense, Service Members and Families* ([Washington, DC: Office of the Department of Defense], 2002), p. 75.

<b>“Strengthen Reserve Forces Employer Support”</b> <b>Vision: The Department of Defense, employers, and employees jointly embrace and enhance Guard and Reserve service to America. DOD, employers, and Guard &amp; Reserve members must work collaboratively in support of our Nation and its defense.</b>			
<b>ISSUE: Relationships among the DOD, employers, and Reserve Component Members impact National Military Strategy</b>			
<b>GOALS</b>	<b>SHORT-TERM (0-7 yrs.)</b>	<b>MID-TERM (10 yrs.)</b>	<b>LONG-TERM (20 yrs.)</b>
1. Employers, knowledgeable of rights and responsibilities, support Guard and Reserve employees and the DOD.	<ul style="list-style-type: none"> <li>•Establish National Employer Alliance</li> <li>•Establish “Team America” Task Force</li> <li>•Implement a focused marketing effort</li> </ul>	<ul style="list-style-type: none"> <li>•Facilitate relationships between DOD and American businesses</li> <li>•Assess/strengthen policies that address effects of mob and deployment on businesses</li> </ul>	•Implement, manage, and maintain program milestones
2. Guard and Reserve Members, knowledgeable of their rights and responsibilities, fulfill their obligations both to DOD and their employers.	<ul style="list-style-type: none"> <li>•Establish IMA detachment for ESGR</li> <li>•Increase involvement of Selected Reserve in ESGR</li> <li>•ESGR Employer Awards to National status</li> <li>•ESGR PPB to OSD</li> </ul>	<ul style="list-style-type: none"> <li>•Explore alternative RC service</li> <li>•Expand prime-time marketing and advertising</li> <li>•Comprehensive Employer Outreach Strategy</li> </ul>	•Implement, manage, and maintain milestones listed
3. DOD fosters a mutually supportive relationship among Guard and Reserve Members, employers, and the DOD.	<ul style="list-style-type: none"> <li>•ID key stakeholder groups to facilitate relationships between DOD, RC members, and employers</li> <li>•Communicate to RC &amp; employers “realistic” RC member level of participation</li> </ul>	<ul style="list-style-type: none"> <li>•Enhance perception of Guard &amp; Reserve service (evolutionary process out to 20 years)</li> <li>•Provide Secretary-level funding for initiatives presented</li> </ul>	•Implement, manage, and maintain milestones listed

Source: Deputy Assistant Secretary of Defense (Military Community and Family Policy), *A New Social Compact: A Reciprocal Partnership Between the Department of Defense, Service Members and Families* ([Washington, DC: Department of Defense], April 2002), p. 77.

**Figure V.2. The Relationship Between Reserve Component Employers, Reserve Component Members, and DOD**

In May 2004, DOD issued a report dealing with military quality of life, *Report of the 1st Quadrennial Quality of Life Review*. Its section on Reserve Affairs briefly mentions projects ongoing within DOD to help reserve component members and their employers: “RC members have full-time civilian jobs in addition to military duty. Absences create work problems and increased costs for civilian employers. Reserve Affairs is sponsoring a study to gain more information on mitigating employers’ economic losses and developing a set of early warning indicators. A database listing civilian employers who employ RC members has also been established. Finally, the National Center for Employer Support to the Guard and Reserves continues to advocate strongly for employer support.”<sup>213</sup>

213 DOD, *Report of the 1st Quadrennial Quality of Life Review*, p. 107.



The Commission supports the goals of DOD as outlined above in both the 2002 and 2004 reports and believes they can be realized. Indeed, as the discussion that follows makes clear, more can and should be done.

**Finding:** Employers have a major influence on whether reservists continue their reserve participation and on the level of that participation.

## ESGR

DOD has a directorate that deals directly with reserve component employers: the National Committee for Employer Support of the Guard and Reserve.

ESGR was created in 1972 as the nation's military began to transition from reliance on a draft to today's all-volunteer force. At the time, there was concern within DOD that the nation's employers—who were long accustomed to their workers' choosing membership in the National Guard and Reserves as an alternative to compulsory active duty service—might question the necessity of military service in the reserve components once the military system was purely voluntary.<sup>214</sup>

DOD chartered ESGR to “[i]nform employers of the ever-increasing importance of the National Guard and Reserves” and to “[e]xplain the necessity for and role of these forces in national defense.”<sup>215</sup> Its mission “is to gain and maintain active support from all public and private employers for the men and women of the National Guard and Reserves, as defined by demonstrated employer commitment to employee military service.”<sup>216</sup>

Initially, ESGR consisted of a small, voluntary panel of distinguished Americans representing business, government, labor, and the military. These individuals directed the efforts of their peers through the personal and corporate examples they set at high levels of their organizations. As protections governing employment and reemployment rights for reserve component employees became more complex, ESGR moved to establish a nationwide network of local employer-support volunteers, trained and supervised by a core staff of professional employees.<sup>217</sup> Today, ESGR operates through a network of volunteers throughout its 56 committees located in each state, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, and Europe.<sup>218</sup>

During Commission hearings and interviews, it has been suggested that DOD has paid insufficient attention to its relationship with reserve component employers. While Guard and Reserve employees have the Department of Labor to act as their advocate, employers lack a similar voice speaking on their behalf; ESGR could play that role if its position within DOD were strengthened and it had a larger professional permanent staff.

During the Commission hearings of May 2007, Ted Daywalt, CEO of VetJobs.com, declared in his prepared testimony: “Historically, National Guard and Reserve members have been serving two

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... it has been suggested that DOD has paid insufficient attention to its relationship with reserve component employers.

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214 “ESGR: Factsheet, Employer Support of the Guard and Reserves (ESGR),” media kit from ESGR Web site (<http://esgr.org/files/factsheet/MediaKit.pdf>), p. 3.

215 “ESGR: Factsheet, ESGR,” p. 3.

216 Department of Defense Directive 1250.01, “National Committee for Employer Support of the Guard and Reserve (NCESGR),” April 13, 2004 (certified current as of April 23, 2007), p. 3.

217 “ESGR: Factsheet, ESGR,” p. 3.

218 “ESGR: Factsheet, ESGR,” p. 1.

masters—their military organization and their civilian employer. This system has worked for nearly a century, mainly because of the outstanding support of patriotic civilian employers and the dedicated men and women of the National Guard and Reserve. But that support has reached a breaking point and is rapidly eroding due to deleterious DOD policies that do not recognize the impact on employers and their employees who are members of the National Guard and Reserve.”<sup>219</sup>

**Finding:** Employers are experiencing many challenges because of the high operational tempo of the reserve components during the past several years. These challenges have caused a strain in relations between employers and DOD.

At the same hearing, Dr. L. Gordon Sumner, Jr., Executive Director of ESGR, stated that he viewed himself as the principal advisor to the Assistant Secretary of Defense for Reserve Affairs (ASD-RA) for all issues related to National Guard and Reserve employers. ESGR has approximately 50 paid staff in its Rosslyn headquarters and more than 4,200 volunteers in the field.<sup>220</sup> Those volunteers include the 56 heads of the state and territorial field committees. As Mr. Daywalt noted, “some of the chairs are better in some states, and [some] not as good as others.”<sup>221</sup> The 56 field committee leaders advise Dr. Sumner but, as he acknowledged at the hearing, currently there is “no procedure in place for the state representatives to have direct access to the secretary of defense.”<sup>222</sup>

When meeting with the Commission in September 2007, Dr. Sumner discussed the changes he has implemented since assuming office as executive director. These include refocusing his staff to look at future requirements for 2010 and beyond; he has also revamped the training and outreach programs to increase the core competency within ESGR while reducing stovepipes. All training—civilian, volunteer, and staff—will be carried out through the new organization.<sup>223</sup>

ESGR’s volunteer ombudsmen receive only nominal training to deal with the complex labor laws most relevant to reservists, the Uniformed Services Employment and Reemployment Rights Act of 1994 and the Servicemembers Civil Relief Act.<sup>224</sup> ESGR is the liaison between reserve component employers and DOD, and in that role serves as the sole arm within DOD to educate employers about service members’ legal protections. USERRA and the legal protections of members of the reserve component are fully discussed in an earlier section of this chapter.

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The growing role that employers play in the use of reservists by DOD makes it necessary to expand the responsibilities of ESGR.

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The growing role that employers play in the use of reservists by DOD makes it necessary to expand the responsibilities of ESGR. At the same time, the title and duties of the executive director of the office for employer support should be changed, thereby sending a clear signal to employers that DOD values their contributions. ESGR should be given a new name that reflects both the higher

219 Daywalt, prepared statement, May 17, 2007, p. 4.

220 Dr. L. Gordon Sumner, Jr., Executive Director, National Committee for Employer Support of the Guard and Reserve, testimony before the CNGR, Hearing on Employer and Family Support: Employer Support, transcript of May 17, 2007, hearing ([www.cngr.gov/May%2015-17/0517cngr1.pdf](http://www.cngr.gov/May%2015-17/0517cngr1.pdf)), pp. 24–25.

221 Ted Daywalt, CEO and President, VetJobs.com, testimony before the CNGR, Hearing on Employer and Family Support, transcript of May 17, 2007, hearing (Employer Support), p. 26.

222 Dr. Sumner, testimony before the CNGR, transcript of May 17, 2007, hearing (Employer Support), p. 26.

223 MFR, meeting of CNGR staff with Dr. L. Gordon Sumner, Jr., Executive Director, National Committee for Employer Support of the Guard and Reserve, September 4, 2007.

224 For full discussion of USERRA and the SCRA, see section B above, “Service Member Protections.”

status of ESGR's executive director and his or her working relationship with the new employer council that the Commission is recommending be established (see below).

The lines of authority should be shifted: rather than being placed under the Assistant Secretary of Defense for Reserve Affairs, the executive director should serve as an advisor or assistant to the Secretary of Defense. That positioning would make the responsibilities of the position clearer to the business community and demonstrate how highly DOD values its role.

Increasing the level of paid staff, particularly ombudsmen in the field, would provide greater continuity of institutional knowledge and increase the level of expertise available to employers, service members, and family members. These new positions would augment the existing ESGR volunteer network.

Over time, the mission of ESGR has changed. Originally created mainly to educate service members, in the 1980s its focus shifted to educating employers. The current and future focus of ESGR should be to balance outreach to employers and to service members and their families so that all necessary information can be provided to each as the nation continues to employ an operational reserve.<sup>225</sup>

**Finding:** The National Committee for Employer Support of the Guard and Reserves (ESGR) fosters support for reserve service within the employer community and assists individual reservists who are experiencing problems with their employers because of their reserve status; however, the role of ESGR within the Department of Defense and within the employer community should be strengthened.

## Seeking Input from Employers

### *An Employer Council*

At the Commission's May 2007 public hearing, Dr. Sumner was asked whether he thought it would be useful for ESGR to have an outside committee provide support and advice on improving communication with employers. Dr. Sumner replied,

We do have within the organization out of [A]SD Reserve Affairs and the secretary's office, the Defense Advisory Board [DAB-ESGR].<sup>226</sup> Their charter is to provide advice to the secretary on those issues affecting Guard and Reserves and their employment and the employees. So they meet semi-annually, that's a directed chair position appointed by the secretary [of] defense, our organization provides them support on this annual basis, and so that's really a good mechanism for the secretary to get a feel. We just had a meeting about two or three

225 MFR, meeting with Dr. Gordon Sumner, Executive Director, ESGR, September 4, 2007.

226 The current Defense Advisory Board for Employer Support of the Guard and Reserve (DAB-ESGR) was established in 2003. The previous charter (valid through October 1, 2007) directed the board to "provide the Secretary of Defense, through the Under Secretary of Defense (Personnel and Readiness) and the Assistant Secretary of Defense (Reserve Affairs), with independent advice and recommendations on matters concerning members of the Reserve Forces of the United States and their civilian employers." Members are appointed by the Secretary of Defense, with the National Chairman to serve as Chairman of the Defense Advisory Board. [ESGR is responsible for] provid[ing] administrative and support services as deemed necessary for the performance of the Board's functions" (Memorandum for Committee Management Officer, Washington Headquarters Services, Administration and Program Support, "Reestablishment of Defense Advisory Board (DAB) for Employer Support of the Guard and Reserve (ESGR)," from the Office of the Assistant Secretary of Defense for Reserve Affairs T. F. Hall, September 1, 2005). A new charter that went into effect on October 1, 2007, maintains the same reporting structure but charges the board to provide "independent advice concerning matters arising from the military service obligations of members of the National Guard and Reserve members and the impact on their civilian employment. The Assistant Secretary of Defense (Reserve Affairs) may act upon the advice of the committee." The estimated annual operating costs were \$200,000 in the previous charter but were reduced to \$100,000 in the revised charter ("Charter: Defense Advisory Board for Employer Support of the Guard and Reserve," revised charter filed October 1, 2007).

weeks ago, and the deputy secretary came down and spoke as well to the board. So it has quite a bit of visibility.<sup>227</sup>

At another panel at the same hearing, a Commissioner asked participants, “Do you feel that the private sector is adequately represented at the policy level when these decisions [e.g., the shift from a strategic to an operational reserve] and determinations are made by the Department of Defense, and do you have any recommendations on how they could be better accomplished?” David Miller, President of Con-Way Freight-Central, responded: “Given the opportunity through the chamber and through our involvement with the ESGR, we take every opportunity to interact and engage. . . . [A]bsolutely we need to have a few more people sitting around the table.”<sup>228</sup>

Stephen M. Dickson, Senior Vice President of Delta Airlines, echoed Miller’s comments and added, “[T]his is really what I was really getting at with formalizing the role of ESGR. The people that we work with at ESGR are great people but there’s not really a formal process that back[s] them up, and that needs to have more meat on the bones.”<sup>229</sup> Mr. Daywalt recommended that a civilian review panel be appointed to “[b]ounce some of these ideas off of the civilian employers . . . so that the employers don’t feel like they’re being kicked around[.]”<sup>230</sup>

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. . . secondhand accounts to the Secretary of Defense are not as powerful or effective as communications delivered without any filter.

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As mentioned above, ESGR’s executive director receives input from a variety of sources, including the 56 state committee chairs and state executive directors, volunteers, paid staff in the field, members of its Virginia-based home office staff, symposiums such as the Airline Symposium that took place on June 21, 2007, and many individuals around the country, as the organization’s head travels to talk about ESGR and its mission.<sup>231</sup> Another important source of information and feedback is the DAB-ESGR. According to the minutes of its meeting of April 26, 2007, Deputy Secretary of Defense Gordon R. England attended and said that “more needed to be done to assist the numerous smaller employers who provide such a large percentage of the Guard and Reserve forces.” He encouraged the advisory board members “to help ensure employers’ concerns reach the Department and promised that their issues would be addressed.”<sup>232</sup> However, those concerns do not reach the Department directly. Though the Commission is certain that the chain of command up through which ESGR’s executive director reports takes employer concerns seriously, secondhand accounts to the Secretary of Defense are not as powerful or effective as communications delivered without any filter.

As pressures on employers grow, it becomes more important, as Secretary England urged, to do more. The Commission recommends that Congress create a high-level advisory board within DOD to provide ongoing advice to the Secretary of Defense about how the deployments of national guardsmen and reservists are affecting their employers. While DOD could implement such a board through policy, the Commission recommends that legislation be drafted to prescribe the type and mix of employers to be included, allocating a certain number of seats to those categories most likely to have employees in the Guard and Reserves. Without doubt the first responder, airline, small business, and self-employed Guard and Reserve communities should each be represented. Though the

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227 Dr. Sumner, testimony before the CNGR, transcript of May 17, 2007, hearing (Employer Support), pp. 26–27.

228 David Miller, President of Con-Way Freight-Central, testimony before the CNGR, Hearing on Employer and Family Support: Employers, transcript of May 17, 2007, hearing, pp. 23–24.

229 Dickson, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), p. 25.

230 Daywalt, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), p. 25.

231 MFR, meeting of CNGR staff with Dr. Sumner, September 4, 2007.

232 DAB meeting minutes, April 26, 2007.

ideas the board generates might not work for all businesses, the information it provides would be shared for all to consider.<sup>233</sup> The key to making such an advisory board effective is to ensure that it contains a variety of individuals, including successful and innovative ESGR state chairs.<sup>234</sup>

The charter of a credible advisory council would require it to meet at least several (perhaps six) times per year with the retitled executive director of ESGR, who would provide at minimum a written report to the Secretary of Defense following each meeting. The council would also meet annually with the Secretary of Defense to directly present the concerns of employers.

One possibility is to restructure the current DAB-ESGR rather than replace it with a new board. But the existing board is not a particularly active group, and its membership does not include enough senior leaders of major corporations.<sup>235</sup> Though new members might invigorate DAB-ESGR, a fresh start makes better sense. To emphasize the Department's understanding of the importance of employer support, the Secretary of Defense could choose high-level corporate executives to serve on the advisory board together with small, medium-sized, and large employers. The new employer council should also include representatives of the key agencies that can respond to employer concerns.<sup>236</sup> The Department of Labor, Department of Veterans Affairs, Small Business Administration, Internal Revenue Service, Congressional Budget Office, and reserve component Chiefs all have important perspectives to contribute to a new advisory board.

**Finding:** Employers need a stronger voice to provide input at the highest levels of the Department of Defense.

### *Employer Surveys*

Dr. Heidi L. W. Golding, Principal Analyst, National Security Division of the Congressional Budget Office, testified that it is difficult to ascertain exactly how the current operational use of Guard and Reserve employees affects employers, because there is very little data available to identify those employers:

[T]here hasn't been a large amount of work done on this, and from the data that we had obtained, CBO found that reservists do work in all sectors of the economy. About 75 percent of reservists work for pay in the civilian sector. . . . Of those who work for pay, about 36 percent work for the government, the federal, local or state governments. That's about 220,000 reservists. . . . Roughly 8.5 percent or over 50,000 reservists are self-employed. About 18 percent of reservists who are employed in the civilian sector work for firms with under 100 employees. That's about 110,000 reservists. . . . Of those 110,000

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233 Christine Bierman pointed out that a given program is "maybe a tax benefit for me and maybe not for Jeff [Linscott, another employer on the panel]" (testimony before the CNGR, transcript of May 17, 2007, hearing [Employers], p. 17).

234 "[M]ust continue to find ways to assist those employers of members of the Guard and Reserve who are unduly impacted [b]y the deployment of key personnel, (or as in some small businesses, the ONLY employee) by recognition, tax incentives, or priority in receiving government contracts, both federal and state" (written remarks by Ernst F. Loomis, State Chair, NH ESGR to Defense Advisory Board, September 12, 2007).

235 MFR, CNGR staff presentation to DAB-ESGR, September 12, 2007.

236 According to a report sponsored by the U.S. Chamber of Commerce, federal agencies are aware of the problems but have not put together a group that can cross agency boundaries to address them ("Report on Industry Leader Forum with Air Force Representatives Regarding Issues Impacting Small Business Owners, Members of the Air Reserve Components and Their Families," March 15, 2006). The report recommended creating an integrating department/agency to bring agency heads together to deal with reserve component and Veterans Affairs issues.



reservists, we estimate that between 7,000 and 28,000 of those reservists are likely to hold key or essential positions in small businesses.<sup>237</sup>

Several witnesses similarly noted the lack of DOD survey data about the impact of continued lengthy deployments on reserve component employers, and the U.S. Chamber of Commerce urged the Commission to “encourage DoD to conduct surveys and share the findings on the impact of call-ups on the employer community” and to “press for a comprehensive DoD employer data collection and analysis program to assess how employers are affected by the current pace of mobilizations and demobilizations.”<sup>238</sup> Data from an online survey in January 2007 on human resource management indicated “resistance by corporate America to the way their employees are now being used” and noted “that over 54 percent [of respondents] said that they would not currently hire active duty people in the Guard and Reserve.”<sup>239</sup>

A Business & Legal Reports survey to which Mr. Daywalt referred includes the following data on the declining support for reserve component duty by civilian employers:

Business & Legal Reports (www.BLR.com) conducted its annual Survey of Employee Benefits in late 2004 and found that the percentage of employers paying full salaries to their National Guard or Reserve employees on active duty had plummeted in just two years. In 2003, 33% of employers paid exempt employees their full salary while on military leave; this had dropped to 15% in 2005. Meanwhile, the number of employers who paid nothing to their active duty employees had increased from 31% in 2003 to 50% in 2005. Many companies were still willing to make up the difference between what employees earn during military service and their normal wages, 36% in 2003, declining slightly to an estimated 34% in 2005.<sup>240</sup>

DOD has yet to poll reserve component employers and dismisses private-sector polls such as those mentioned above as anecdotal. DOD does have plans to survey self-employed reservists and small business reserve component employers. Assistant Secretary of Defense Thomas Hall told the Commission during a hearing in April 2007, “We’re going to do this study and go out and target self employed, small employers. . . . And we’ve got to go to them. We’ve got to get ideas. And frankly no one has come up with breakthrough ideas.”<sup>241</sup>

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“I am deeply concerned about keeping employers with us as we make this transition from strategic to operational.”

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During the Commission hearing of June 2007, Deputy Under Secretary Dominguez was asked about plans within DOD to survey all reserve component employers. He responded, “I am deeply concerned about keeping employers with us as we make this transition from strategic to operational. And I don’t think the Department has done nearly enough on that subject. It bothers me a great deal.”<sup>242</sup>

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237 Dr. Heidi Golding, testimony before the CNGR, Hearing on Employer and Family Support: Employer Support, transcript of May 17, 2007, hearing, p. 11.

238 U.S. Chamber of Commerce, letter to the CNGR, January 23, 2007.

239 Daywalt, testimony before the CNGR, transcript of May 17, 2007, hearing (Employer Support), p. 14.

240 Daywalt, prepared statement, May 17, 2007, p. 7.

241 The Honorable Thomas F. Hall, Assistant Secretary of Defense for Reserve Affairs, testimony before the CNGR, Hearing on Reserve Component Policy Reform, transcript of April 12, 2007, hearing (www.cngr.gov/hearing411-12/0416cngr3.pdf), p.31.

242 Deputy Under Secretary Dominguez, testimony before the CNGR, Hearing on Managing and Integrated Active and Reserve Force, transcript of June 20, 2007, hearing (www.cngr.gov/June%2019-21/0620cngr-panel2.pdf), p. 23.

Despite the importance of employer support of the Guard and Reserve to our national security interests, William D. Elmore, Associate Administrator for Veterans Business Development of the Small Business Administration, noted that “the Department of Defense has not conducted a statistically valid survey of employer attitudes regarding the transformation from a strategic reserve to an operational reserve and the impact that mobilizations are having on the American employer.” He added, “ESGR needs a routine, systematic and statistically valid survey . . . to effectively track employer attitudes and issues, in order to advise and assist the secretary of defense and the assistant secretary of defense for Reserve Affairs of matters pertaining to employer support and its impact on recruiting and retention.”<sup>243</sup>



Representatives from SBA, ESGR, CBO, and VetJobs.com at May 2007 hearing.

Changing patterns in the workforce are contributing to the difficulty of collecting data. Guard and Reserve employees have a 19 percent turnover rate each year, and employees change jobs an average of five to seven times during a career.<sup>244</sup> DOD is currently in the field with an Employers Economic Impact Survey (EEIS). The Commission obtained copies of its first two sections, “Human Resources Impact” and “Operational Impact.” Surveys were sent to a random selection of “57,000 employers nationwide who employ or have employed Guard/Reserve members at any time since 2005.”<sup>245</sup> The survey seeks information about an “organization’s experience with employing Guard/Reserve members, and on areas that may be impacting [an] organization’s costs.”<sup>246</sup> Under “Human Resources Impact,” the survey will collect data on continuation of benefits for deployed employees, including vacations, health care, retirement, stocks, profit sharing, cost of living adjustments, and compensation as well as fees incurred to hire temporary or full-time employees required to cover the deployed employee’s work. “Operational Impact” assesses how having employees in the National Guard or Reserves affects an organization both overall (e.g., the employees’ organizational, communication, management, technical, leadership, and teamwork skills, and their overall dependability) and specifically in ways pertaining to their deployment: the amount of notice given to employers before a reserve component employee deploys, training time and costs needed to cover that deployed employee’s absence, the level and type of support provided by the organization to the deployed employee and his or her family, the need for replacement personnel (both temporary and permanent), and overtime costs.<sup>247</sup>

243 William Elmore, testimony before the CNGR, Hearing on Employer and Family Support: Employer Support, transcript of May 17, 2007, hearing, p. 8.

244 MFR, meeting of CNGR staff with Bob Hollingsworth, ESGR Executive Director, and ESGR staff, October 27, 2006, p. 2.

245 Department of Defense, Employers Economic Impact Survey (EEIS), OMB Control Number 0704-0433, “When Guard or Reserve Employees Are Absent from Work to Serve in the Military,” Section One: “Human Resources Impact.”

246 DOD, EEIS.

247 DOD, EEIS, “When Guard or Reserve Employees Are Absent from Work to Serve in the Military,” Section One: “Human Resources Impact”; Section Two: “Operational Impact.”

What the survey does not ask is whether current employers of Guard and Reserve members will continue to hire employees with such commitments at a time when the reserve components are being heavily used as an operational reserve. Although denial of employment because of military commitments is illegal, it does happen—and DOD must collect and analyze those data, because they illuminate questions not just of hiring but also of retention. DOD must pay attention to the type of anecdotal evidence cited in industry-credible surveys such as that by *Workforce Management Magazine*. ESGR's Dr. Sumner expressed concern that unless DOD properly addresses the impact on employers of reserve component deployment, at some point a reserve component member and an employer will have to make a choice between civilian job and service.<sup>248</sup>

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... unless DOD properly addresses the impact on employers of reserve component deployment, at some point a reserve component member and an employer will have to make a choice between civilian job and service.

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Now that a DOD-approved survey is under way, DOD must institute a firm schedule of regular follow-up surveys. Initial results from another DOD survey, "Economic Costs to Employers from Mobilized RC Employees," will soon be available, with final results made public in the spring of 2008.<sup>249</sup>

## One-Stop Shopping for Information

During the Commission hearing of May 2007, Jeffrey R. Linscott, the President of JL Aviation, Inc., told a compelling story about his efforts to navigate a maze of information and agencies to determine what assistance might be available to help him maintain his helicopter charter business during his deployment following the September 11 terrorist attacks against the United States. On the basis of his experiences, Mr. Linscott entreated the Commission to establish a central clearinghouse of information for employers and employees, thereby minimizing the number of Web sites needed to gather critical information: "I recommend that the commission incorporates some centrally located avenue for information that all the parties can go to and find the same similar information with some form of continuity."<sup>250</sup>

Another participant at the same hearing, Christine Bierman, CEO and Founder of Colt Safety, Fire & Rescue—Safety Technologies, Inc., in St. Louis, Missouri, described seeking the advice of attorneys to help her understand her legal responsibility as an employer when a key reservist employee was deployed. Like other witnesses, she also spoke of relying on Google searches to find relevant information.<sup>251</sup>

Some employers are forming very creative and successful partnerships with government agencies and organizations at the state and local level to gather resources for employers and employees. Lisa Angelini testified that New Hampshire's "Operation Welcome Home served to create a virtual military community in the absence of military bases and forts." That committee "identified well-established resources throughout the state that would be immediately available to the returning veterans and their families." She further explained, "We developed a reorientation plan designed to assist employers in facilitating the transition of redeployed personnel to the workplace. The committee identified employers' anticipated needs, provided guidance on how to establish and train a cadre to assist the returning veterans. We also developed and distributed a resource network with accompany-

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248 MFR, meeting of CNGR staff with Dr. Sumner, September 4, 2007.

249 MFR, meeting of CNGR staff with Dr. Sumner, September 4, 2007.

250 Jeffrey Linscott, testimony before the CNGR, Hearing on Employer and Family Support: Employers, transcript of May 17, 2007, hearing, pp. 13–14.

251 Bierman, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), pp. 6, 28.

ing support literature for the veterans, their employers, and colleagues. We established guidelines for employers to construct their own individual action plans. The reorientation plan prototype was presented as a model for employers throughout the state.”<sup>252</sup>

When the employer panel at the May 17 public hearing was asked whether a one-stop shop for employers and employees would be useful, all five panelists endorsed the concept. David Miller of Con-Way said, “Currently, we have to dig, bite and scratch through all the opportunities that may exist out there by blindly going down alleys, and I will say very candidly that the ESGR has been very instrumental in pointing this in the right direction.” He added, “I don’t [know] that ESGR knows about all the programs all the time, so . . . yes, we would support that.”<sup>253</sup> Delta’s Steve Dickson answered, “[T]o formalize so everyone is reading off the same sheet of music will be very helpful.”<sup>254</sup> Ms. Bierman suggested that a “central source” database would be useful.<sup>255</sup> Ms. Angelini concurred that “having a universal website that may have either all the information or links to where you can get them without having to go shopping yourself . . . that might be helpful. . . . [M]aybe the ESGR should be the go-to people for us all the time, and whatever they need to make what they do continue, is absolutely in my opinion essential in order for these partnerships to continue and for us to be able to be good about sacrificing our employees to the good.”<sup>256</sup> Jeff Linscott said, “I would support it wholeheartedly.”<sup>257</sup>



Employer panel members Dickson, Linscott, and Miller at May 2007 hearing.

The Commission recommends that DOD set up an office within ESGR to identify the wide range of rules and regulations that affect employers and employees when an employee is deployed, as well as the resources available to help them. Relevant information would be drawn from the Department of Labor, Small Business Administration, Chamber of Commerce, Department of Veterans Affairs, Internal Revenue Service, American Bar Association, Department of Justice, and various state agencies.

Once that information is gathered in a central database, DOD should publicize its existence by using the ESGR call center, Web site, paid staff, and volunteers in the field to educate employers about the range of information and services available. Call center employees should be trained to ask questions to best determine what options an employer may have to solve particular problems. While the ESGR Web site does contain much useful material, it must be made easier to navigate, with links to relevant government agencies and appropriate nonprofit and private-sector organizations. A simple user-friendly home page on the Web site would offer a glimpse of information available that might encourage an employer to consider learning more. Information should include a “best practices” database to highlight successful statewide partnerships as models for other states to use.

252 Angelini, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), pp. 3–4.

253 Miller, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), pp. 27–28.

254 Dickson, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), p. 28.

255 Bierman, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), p. 28.

256 Angelini, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), pp. 28–29.

257 Linscott, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), p. 28.



Perhaps the American Bar Association (and related state bar associations) could team up with ESGR to provide the important public service of explaining employers' rights as well as their obligations to their employees during deployment. This information-sharing effort should operate at the state level, coordinated by the paid staff with local chambers of commerce, state agencies, nonprofits, and other relevant community organizations and volunteers.

**Finding:** DOD currently has no one number that employers can call or Web site that they can visit to receive comprehensive information on reserve component issues; such a centralized source would greatly enhance employers' education about and knowledge of these issues.

## The Government as Employer

In the benefits it offers reserve component members, the federal government sets the pattern for other employers: military leave for active duty for training and continued medical coverage for family members when a reserve component member is activated.<sup>258</sup> The largest employer of reservists is the U.S. Postal Service. The executive director of ESGR told the Commission staff that in 2006, all cabinet secretaries and the heads of various agencies signed a statement of support for USERRA and pledged to make sure that their policies were consistent with USERRA. When the U.S. Postal Service signed, compliance went up dramatically.<sup>259</sup>

In October 2007, the Senate Veterans Affairs Committee held a hearing on USERRA claims as filed by reserve component members employed by the federal government. In 2004, a congressionally mandated demonstration project was established. In all, 3,792 USERRA claims, federal and nonfederal, were filed from February 8, 2005, to the end of fiscal year 2007. Of the 3,782 claims filed, 614 were federal claims.<sup>260</sup>

Although the number of federal claims accounted for only 16 percent of the total, Jim Byrne, Deputy Special Counsel, U.S. Office of Special Counsel, noted that figure was disproportionately high, since civilian employees of the federal government make up about 10 percent of the National Guard and Reserves. He added, "Considering that [USERRA] law specifies that the federal government . . . be a 'model' employer, this is a disturbing trend."<sup>261</sup>

**Finding:** The federal government employs more reserve component members than any other employer in the United States, and in its treatment of reservists it should serve as a model for other employers.

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258 U.S. Office of Personnel Management, "Frequently Asked Questions about Military Leave" (<http://www.opm.gov/oca/leave/html/milqa.asp>) and "Frequently Asked Questions About FEHB Coverage for Federal Civilian Employees Called to Military Duty" (<http://www.opm.gov/insure/health/qa/qa.asp?reservists#2>).

259 MFR, meeting of CNGR staff with Bob Hollingsworth and ESGR staff, October 27, 2006, p. 3.

260 The Honorable Charles S. Ciccolella, Assistant Secretary of Labor for Veterans' Employment and Training, U.S. Department of Labor, prepared statement before the Committee on Veterans' Affairs, United States Senate, 110th Cong., 1st sess., October 31, 2007, p. 4.

261 Jim Byrne, Deputy Special Counsel, U.S. Office of Special Counsel, accompanied by Patrick Boulay, USERRA Unit, prepared statement before the Committee on Veterans' Affairs, United States Senate, 110th Cong., 1st sess., October 31, 2007; for USERRA, see 38 U.S.C. §4301(b).



## A Sponsored Reserve

The concept of a “sponsored reserve” was first implemented by Britain’s Ministry of Defense (MoD) in the mid-1990s.<sup>262</sup> Since that time, the program has been refined significantly in the United Kingdom and adopted in many other nations in the Western world. Many nations are developing their reserve programs around civilian skills, as the government, employers, and employees work together closely to form a special category of service called the Sponsored or Contracted Reserve. Participating contracted employers and participating contracted employees provide a pool of individuals with existing civilian/military skills who are made available for military duty. They thus give the government access to certain recognized skills in a standby reserve that can perform military duty in times of need. In the United States, the Department of Defense does not have a sponsored reserve program.

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... an even stronger partnership must be formed between the military and the business community.

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Today almost every ministry or department of defense around the world regularly uses contractors for operational support for a variety of tasks, but an even stronger partnership must be formed between the military and the business community—and doing so will require innovative thinking. Some of this need is being met in the United States by ESGR, but as noted above, that organization at present concentrates on fostering support for the reserves among employers and assisting individual reservists whose service is causing them difficulties in their workplace; it does not help match skilled individuals with the military’s requirements. The concept of a sponsored or contracted reserve involves writing contracts for specialized services that might have to be done by uniformed personnel: employers voluntarily maintain in their workforce an agreed-on number of employees who have volunteered to undergo some minimal but required military training to become members of a special reserve force. Then, if necessary, these employees will be activated together or individually.

A study comparing the experiences of member nations of the North Atlantic Treaty Organization was conducted in 2005 by a joint working group of the Interallied Confederation of Reserve Officers (Confédération Interalliée des Officiers de Réserve, or CIOR) and the Interallied Confederation of Medical Reserve Officers (Confédération Interalliée des Officiers Médicaux de Réserve, or CIOMR) for the National Reserve Forces Committee (NRFC) and the NATO Military Committee. The study stressed the importance of tracking and using the civilian skills of reservists.<sup>263</sup> Current law and DOD directives regarding civilian employment information for the reserve component are lucidly discussed in a report from the Office of the Assistant Secretary of Defense for Reserve Affairs dated December 2002.<sup>264</sup> The Department clearly recognizes the potential value of those skills to the military as part of the reserve forces. On March 21, 2003, DOD implemented the Civilian Employment Information (CEI) Program, which was intended to provide a means to fully document the employment information of members of the reserve components so that the services could draw on the civilian skills of members of the Ready Reserve.<sup>265</sup> While this program was designed to track employment and civilian skills data, as discussed in Chapter III, it does not provide access to individuals with specialized skills so that those skills could be drawn on as required. The Spon-

262 “Reserve Forces: The Reserve Forces Act 1996—Mobilisation and Call Out Issues,” British Army Web site ([www.armedforces.co.uk/army/listings/l0135.html](http://www.armedforces.co.uk/army/listings/l0135.html)).

263 CIOR/CIOMR Joint Working Group, “Civilian Skills Database,” Winter 2005, p. 1.

264 Deputy Assistant Secretary of Defense for Reserve Affairs, Manpower and Personnel, *Reserve Component Civilian Occupation Information Final Report* (Washington, DC: Office of the Assistant Secretary of Defense for Reserve Affairs, 2002).

265 Under Secretary of Defense for Personnel and Readiness, memorandum, “Civilian Employment Information (CEI) Program,” March 21, 2003.

sored/Contracted Reserve does just that, in effect putting specialists in their field into a standby pool of skilled manpower for use in times of military need.

Of the U.S. allies who have experimented with different forms of a sponsored reserve, the United Kingdom appears to have developed the idea most fully. Its Sponsored Reserves are subject to mobilization by law, as are all other reserve forces, but in this case under special “call out power” established in the Reserve Forces Act of 1996.<sup>266</sup> Quite often these Sponsored Reservists are employees of contractors that support routine operations of the military at home. When the same task must be performed operationally, these employees can be called out to continue providing the required support as service members. Special incentives have been added to make the program attractive to employers as well as to the employee. For example, the Reserve Forces Act allows employers and reservists to be reimbursed by MoD for some of the additional costs of employees being called out. Reservists can be compensated directly for some of their loss in salary, while employers can receive assistance for indirect costs, such as the need to recruit and train temporary replacement employees.<sup>267</sup>

The Sponsored Reserve is best suited to those support functions that are routinely required both by civilian contractors or civil servants and by service members engaged in operations, where they must be done by uniformed personnel. As Sponsored Reservists, the same individuals can perform their usual work wherever needed. Their training can be limited to what is required for self-protection and for completion of the task for which they were called out. Because the latter will constitute additional instruction in their civilian/military specialties, the employer will also benefit.<sup>268</sup> When dealing with contractor support to operations, the military can consider using personnel in different statuses as appropriate: the same skilled employees are able to be employed as civilian contractors on deployed operations within more benign environments and as members of the Sponsored Reserve when military capability is required.<sup>269</sup>

A number of countries have also instituted a program called the Employer Support Payment (ESP) scheme that allows employers (including self-employed reservists) to claim ESP and receive supplemental payments for a specified period while the employee is activated.<sup>270</sup> This program offers an incentive to employers who are considering participation in a sponsored reserve program.

**Finding:** Some U.S. allies are successfully using contracts between the government, employers, and employees to form a “sponsored/contracted reserve.” This reserve force is structured around government contracts with participating employers and their participating employees, who provide a manpower pool for military mobilization based on specific skills common to all. A similar program, if instituted in the United States, would offer DOD the opportunity to work cooperatively with employers to develop and use the unique skills of their reserve component workforce.

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266 *Reserve Forces Act 1996: 1996 Chapter 14*; see Part IV, “Special Agreements for Call Out” ([www.opsi.gov.uk/acts/acts1996/plain/ukpga\\_19960014\\_en\\_5#pt4](http://www.opsi.gov.uk/acts/acts1996/plain/ukpga_19960014_en_5#pt4)); “Reserve Forces: The Reserve Forces Act 1996—Mobilisation and Call Out Issues.”

267 “Reserve Forces: The Reserve Forces Act 1996—Mobilisation and Call Out Issues.”

268 Rear Admiral T. J. H. Laurence, Assistant Chief of Defence Staff (Resources and Plans), Ministry of Defence, *Defence Policy for Sponsored Reserves*, February 2007.

269 U.K. Ministry of Defense, ACDS (RP), “Contractor Support to Operations (CSO), SR Policy” (draft copy), October 2007.

270 For a description of one such plan (Australia’s), see “Employer Support Payment Scheme: Who Can Claim,” Defense Reserves Support ([www.defencereserves.com/aspx/who\\_can\\_claim.aspx](http://www.defencereserves.com/aspx/who_can_claim.aspx)).

## The Small Business Administration (SBA)

The Small Business Administration is an independent federal agency responsible for providing assistance to the nation's small businesses. SBA's Office of Veterans Business Development (VBD) coordinates the outreach to and policy recommendations for SBA's assistance to members of the National Guard and Reserves.<sup>271</sup> It offers assistance through a number of programs and institutions.

*The Military Reservist Economic Injury Disaster Loan Program (MREIDL).* MREIDL provides loans to eligible small businesses to meet ordinary and necessary operating expenses that the military call-up of an essential employee prevents them from meeting. The loans are intended only to provide the amount of working capital needed by a small business to pay its necessary obligations until operations return to normal after the essential employee is released from active military duty.<sup>272</sup>

Small businesses may file for this assistance on the date the essential employee is ordered to active duty; assistance ends 90 days after that employee is discharged or released from active duty. The amount of the loan cannot exceed \$1,500,000 and is limited to the actual economic injury not compensated by the business's interruption insurance or in some other way. The maximum interest rate is 4 percent. The term of the loan, which may not exceed 30 years, is based on SBA's determination of the borrower's ability to repay. Businesses must meet credit requirements so that SBA has a reasonable assurance that the loan will be repaid; they must also obtain and maintain insurance. Loans above \$5,000 require collateral and personal guarantees by the business's principals.<sup>273</sup>

Between August 2001 and May 2007, SBA approved 272 MREIDL loans for a total of \$24,712,000, an average of slightly less than \$91,000 per loan.<sup>274</sup>

*Patriot Express Pilot Loan Initiative.* Announced in June 2007, the Patriot Express Pilot Loan Initiative provides a streamlined loan product to small businesses owned or controlled by national guardsmen and reservists, and by others associated with the military who meet specific eligibility criteria. Applicants must also meet standard SBA eligibility requirements. Loans may be used for most business purposes, including start-up, expansion, equipment purchases, working capital, inventory, or a business-occupied real estate purchase.<sup>275</sup>

Patriot Express Pilot Loans may be made for up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less and up to 75 percent for loans from \$150,000 to \$500,000. Loans above \$350,000 require collateral. Rates are generally 2.25 percent to 4.75 percent over prime, depending on their size and the length of the loan period.<sup>276</sup> SBA approved its first Patriot Express Pilot Loans in mid-July 2007.<sup>277</sup>

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271 U.S. Small Business Administration, "The Office of Veterans Business Development" ([www.sba.gov/idc/groups/public/documents/sba\\_program\\_office/ngr\\_officevetbusdevelop.doc](http://www.sba.gov/idc/groups/public/documents/sba_program_office/ngr_officevetbusdevelop.doc)).

272 "Military Reservists Loans," U.S. Small Business Administration ([www.sba.gov/services/disasterassistance/businessesofallsizes/militaryreservistsloans/index.html](http://www.sba.gov/services/disasterassistance/businessesofallsizes/militaryreservistsloans/index.html)).

273 "Military Reservists Loans."

274 Elmore, testimony before the CNGR, transcript of May 17, 2007, hearing (Employer Support), p. 3.

275 "SBA Announces New Patriot Express Loan Initiative," U.S. Small Business Administration, June 13, 2007 ([www.sba.gov/idc/groups/public/documents/adacct/ny\\_buf\\_patriotexpress.pdf](http://www.sba.gov/idc/groups/public/documents/adacct/ny_buf_patriotexpress.pdf)).

276 "SBA Announces New Patriot Express Loan Initiative."

277 "SBA Approves First Loans Under New Patriot Express Initiative," U.S. Small Business Administration, July 16, 2007 ([www.sba.gov/idc/groups/public/documents/wi\\_milwaukee/07\\_43patriot.pdf](http://www.sba.gov/idc/groups/public/documents/wi_milwaukee/07_43patriot.pdf)).

Data provided to the Commission on the program's first five months of operations show that national guardsmen and other reserve component members received less than 4 percent of approved loans, and that those loans accounted for 6 percent of loan amounts provided by SBA.<sup>278</sup>

*Small Business Development Centers (SBDCs).* SBDCs provide management assistance to current and prospective small business owners through one-stop assistance centers. They provide counseling, training, and technical assistance in all aspects of small business management, including financial, marketing, production, organization, engineering, and technical problems, as well as feasibility studies.<sup>279</sup> There are 63 lead SBDCs—at least one in every state—and a total of 1,100 operating throughout the country. Among their targeted clients are individual reserve component small business owners and Guard and Reserve units themselves.<sup>280</sup>

*SCORE, "Counselors to America's Small Business."* SCORE provides free and confidential advice to small businesses. It has 389 chapters throughout the states and territories and a network of 10,500 retired and working volunteers who are experienced entrepreneurs and corporate managers or executives. A nonprofit organization,<sup>281</sup> SCORE has created special online business counseling and mentoring assistance for reserve component members. Some local chapters have undertaken special initiatives targeted to reservists.<sup>282</sup>

*Veterans Business Outreach Centers (VBOCs).* VBOCs offer self-employed veterans and members of the National Guard and Reserves counseling, training, and business assistance tools that are intended to help them in starting, managing, and expanding successful small businesses or restarting or reestablishing their small businesses when they return from active duty. The centers provide pre-business plan workshops, concept assessments, business plan preparations, comprehensive feasibility analyses, entrepreneurial training, and mentoring. There are currently five VBOCs.<sup>283</sup>

Congressional Budget Office testimony to the Commission in May 2007 indicated that "most employers are unaffected by the activation of reservists. Only about six percent of business establishments employ reservists, and fewer than half a percent of self-employed people are in the reserves."<sup>284</sup> But CBO also reported that

- Between 7,000 and 28,000 of the 862,000 reservists in the Selected Reserve hold key positions in small businesses, and an additional 53,000 reservists are self-employed.
- With more than 580,000 drilling reservists mobilized between September 11, 2001, and March 2007, "as many as 20,000 small businesses (0.4 percent of such firms) may have experienced financial losses or had significant problems managing their workloads

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278 "Spreadsheet Documenting Loans Approved under the Patriot Express Initiative through October 31, 2007," document provided to CNGR staff by the Small Business Administration.

279 SBA Veterans Business Development, "Profile of SBA Entrepreneurial Services" ([www.sba.gov/idc/groups/public/documents/sba\\_program\\_office/ngr\\_entreguide.doc](http://www.sba.gov/idc/groups/public/documents/sba_program_office/ngr_entreguide.doc)).

280 William D. Elmore, Associate Administrator for Veterans Business Development, United States Small Business Administration, prepared witness statement before the CNGR, Hearing on Employer and Family Support: Employer Support, May 17, 2007 ([www.cngr.gov/May%2015-17/Elmore%20testimony.pdf](http://www.cngr.gov/May%2015-17/Elmore%20testimony.pdf)), p. 2; SBA Veterans Business Development, "Profile of SBA Entrepreneurial Services," p. 5.

281 "About SCORE," SCORE: Counselors to America's Small Business ([www.score.org/explore\\_score.html](http://www.score.org/explore_score.html)).

282 Elmore, prepared statement, May 17, 2007, p. 2.

283 "The Office of Veterans Business Development," document provided to CNGR staff by the Small Business Administration; Elmore, prepared statement, May 17, 2007, p. 2.

284 Dr. Heidi Golding, Principal Analyst, Congressional Budget Office, prepared witness statement before the CNGR, hearing on Employer and Family Support: Employer Support, May 17, 2007 ([www.cngr.gov/May%2015-17/Golding%20testimony.pdf](http://www.cngr.gov/May%2015-17/Golding%20testimony.pdf)), p. 2.

or scheduling, or handing other interruptions to their operations,” and 37,000 of the reservists called up were probably self-employed.<sup>285</sup>

- There are substantial variations in the ability of firms with reservist employees and owners to adjust to a reservist’s call-up. While “[s]ome businesses may absorb the loss of personnel at little cost . . . others may experience slowdowns in production, lost sales, or additional expenses as they attempt to compensate for the reservist’s absence. A smaller number may find that they are unable to operate for lengthy periods—or at all—without their reservist and may experience financial losses or insolvency.”
- Problems are likely to be more severe for small businesses that lose essential employees, businesses that require workers with highly specialized skills, and self-employed reservists.<sup>286</sup>

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“ . . . I could speak Marine, I could speak Army, I could speak Air Force, but I could not speak SBA and this program was supposed to help us.”

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Reservist business owners face particular problems when they are called up. A paper published by CBO in May 2005 reported on a DOD survey: “33 percent of self-employed reservists who had not been activated in the past two years responded that a three-month mobilization or deployment would pose a very serious or serious problem to their business or professional practice; 22 percent of reservists who had recently been activated said that the damage actually done to their business was a serious or very serious problem.”<sup>287</sup>

The Commission found two major problems with the SBA’s programs: the lack of readily available public information on the services and loans available from SBA, and the difficulty that some business owners have had in taking advantage of this assistance. Both problems were discussed by witnesses during the Commission’s May 2007 hearing.

Jeffrey Linscott told the Commission of his efforts to maintain his helicopter charter business after his own mobilization:

In February of 2003 I initiated a MREIDL loan process with the Disaster Area 4 (DA4) of the SBA. The process was cumbersome and ultimately took 18 months for funding to be approved. During the application process DA4 continually placed requirements on a reservist in need of immediate assistance that were not realistic for a reservist on active duty. After many declines from DA4, Mr. James Steiner, Veterans Business Development Officer in Portland Oregon helped me prepare the application package necessary to receive approval from DA4. Senator Ron Wyden was instrumental in appealing to DA4 to re-open my case and review my final application package which subsequently received approval. Once MREIDL funding was received, JL Aviation recovery efforts were greatly enhanced and we serve today as a success story.<sup>288</sup>

He added, “[M]y significant point is I could speak Marine, I could speak Army, I could speak Air Force, but I could not speak SBA and this program was supposed to help us.”<sup>289</sup>

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285 Dr. Golding, prepared statement, May 17, 2007, p. 3.

286 Dr. Golding, prepared statement, May 17, 2007, p. 2.

287 Congressional Budget Office, “The Effects of Reserve Call-Ups on Civilian Employers,” May 2005, p. 19.

288 Jeffrey R. Linscott, prepared witness statement before the CNGR, Hearing on Employer and Family Support: Employers, May 17, 2007 ([www.cngr.gov/May%2015-17/Linscott%20testimony.pdf](http://www.cngr.gov/May%2015-17/Linscott%20testimony.pdf)), p. 5.

289 Linscott, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), p. 12.



Christine Bierman told the Commission that she had not been familiar with SBA's loan program and heard about it only while having lunch with an SBA official.<sup>290</sup> Jeff Linscott learned of the existence of MREIDL through an advertisement on CNN.<sup>291</sup>

- Finding:** The resources available from the Small Business Administration to aid small business owners who employ mobilized and deployed reserve component members are not well publicized.
- Finding:** The Small Business Administration does not have an effective program to educate small business owners on how they can protect themselves from incurring a substantial monetary loss when one of their employees is deployed.
- Finding:** The time period during which Military Reservist Economic Injury Disaster Loan (MREIDL) assistance is available to small businesses that employ reserve component members is inadequate.

During its May 2007 hearing the Commission heard a number of proposals for improving SBA's programs and for mitigating the effects of call-ups on small businesses. Heidi Golding of the CBO commented that whatever approaches are taken must balance "a number of goals that sometimes conflict, such as providing reservists with a wide range of protected civilian employment, assisting DoD's efforts to recruit and retain the military personnel it requires, minimizing the value of the labor resources being diverted from the civilian economy and improving DoD's allocation of personnel, and avoiding harm to small businesses."<sup>292</sup>

Dr. Golding identified four options under consideration by CBO:

- Compensating businesses through tax credits or direct payments.
- Subsidizing loans to employers.
- Providing or subsidizing call-up insurance for businesses.
- Exempting certain reservists from call-ups.<sup>293</sup>

She observed that the first three could advance the goals listed above and "would at least partially offset financial losses for firms that had reservist employees or owners who had been activated. In addition, the measures might increase employers' support for reservists' military service, which could in turn encourage more individuals to either join or remain in the reserves." Dr. Golding also suggested that "if mechanisms could be developed so that DoD faced more of the costs associated with call-ups, it would then be better able to evaluate the most cost-efficient mix of reserve and active-duty personnel. In particular, it might have an incentive to recruit civilians whose absence from their positions would pose less cost to employers and thus decrease any amounts DOD might pay in compensation."<sup>294</sup>

Dr. Golding added that the final option "would reduce the number or frequency of call-ups rather than compensate employers for activations that had occurred. For example, DoD could exempt certain reservists or particular civilian positions from call-ups." She recognized that this approach

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290 Bierman, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), p. 35.

291 Linscott, testimony before the CNGR, transcript of May 17, 2007, hearing (Employers), p. 12.

292 Dr. Golding, prepared statement, May 17, 2007, p. 4.

293 Dr. Golding, prepared statement, May 17, 2007, p. 4.

294 Dr. Golding, prepared statement, May 17, 2007, p. 4.

might have negative consequences, however, the most significant being that “it might interfere with DoD’s efforts to provide sufficient forces for war and other military contingencies.”<sup>295</sup>

Moreover, Dr. Golding warned that while the various options would assist at least some of the businesses affected by call-ups, “none . . . are likely to completely eliminate the problems that firms face.” She further cautioned that all of the options “entail either direct or indirect costs for the federal government and, consequently, for taxpayers.”<sup>296</sup>

Contrary to Dr. Golding’s belief that tax credits might be effective, William Elmore, SBA’s Associate Administrator for Veterans Business Development, indicated that they probably would not be helpful for real small businesses or self-employed reservists who face insolvency.<sup>297</sup> He instead advised examining the ways in which some of the country’s NATO allies support self-employed reservists or their employers. In particular he pointed to the United Kingdom, which revamped its financial assistance regulations and programs for self-employed reservists and employers in 2005.<sup>298</sup>

## Health Care

The possibility that DOD’s sharing the health care costs of reserve component members might be part of a compact with employers is discussed earlier in this chapter. The issues of post-traumatic stress disorder and traumatic brain injury, as also discussed later in this chapter, are of particular concern.

### Recommendations:

68. The mission of the National Committee for Employer Support of the Guard and Reserves (ESGR) should be expanded. It should encompass helping employers find information on a wide range of topics, including those within the purview of the Department of Labor, Small Business Administration, and Department of Veterans Affairs; preparing and distributing information to employers on post-deployment health issues faced by reserve component members, such as post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI); and providing employers with information on the sources of assistance available to the member and his or her family.
  - a. DOD should increase the numbers of ESGR paid staff, particularly ombudsmen in the field, to enhance the level of expertise available to employers and service members and to promote greater institutional memory.
  - b. ESGR’s name should be changed to reflect its expanded mission. The new organization should balance its outreach to employers and to service members and their families.
  - c. Supervision of ESGR should be removed from the Assistant Secretary of Defense for Reserve Affairs, and the ESGR’s executive director should be made an advisor or assistant to the Secretary of Defense.

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295 Dr. Golding, prepared statement, May 17, 2007, p. 4.

296 Dr. Golding, prepared statement, May 17, 2007, pp. 4–5.

297 Elmore, testimony before the CNGR, transcript of May 17, 2007, hearing (Employer Support), p. 27.

298 Elmore, prepared statement, May 17, 2007, p. 4.

69. The Secretary of Defense should establish an employer advisory council to meet regularly with and provide direct input to the Secretary of Defense. The Secretary should appoint the council members in accordance with congressional direction regarding the type and mix of employers who should be included. In addition, DOD should establish a program for regularly surveying employer interests and concerns and should track data developed in those surveys on a longitudinal basis.
70. The President should direct all federal agencies and the U.S. Postal Service to issue guidance emphasizing the importance of reserve service; prescribing appropriate behavior for supervisors with regard to their employees who are reservists, including treatment of reservists as a criterion for rating performance; and prescribing sanctions for noncompliance. State and local governments should adopt similar policies and procedures.
71. Information on Military Reservist Economic Injury Disaster Loans (MREIDLs) and other assistance from the Small Business Administration should be provided to reserve component members and their small business employers at the time they join the National Guard or Reserves. Either these small businesses should be able to get MREIDLs immediately, because they have key employees in the reserve component, or they should be able to do all the paperwork and qualify for the loans at that time, and then secure them as soon as the employee learns that he or she will be activated.
72. DOD should explore the possibility of creating and implementing a standardized program for a “contracted reserve” that is developed around a contract between volunteer civilian employers, their volunteer employees, and the U.S. government to provide a specialized and skilled reserve force for use in time of need.

## **F. DEMOBILIZATION AND TRANSITION ASSISTANCE**

The demobilization process is designed to assist reserve component members in transitioning back to civilian life and, in many cases, their civilian jobs. For today’s operational reserve, it is also essentially the first opportunity to begin preparing reserve component members for their next deployment. Many problems in the demobilization process have come to light during the global war on terror, and numerous serious shortcomings have been identified. Those issues have been considered over the past year by a number of other commissions and task forces, as well as by this Commission. Among the problems identified is the treatment of injured service members, including inadequate case management, delays and inconsistencies in the disability determination process, lack of coordination between the Department of Defense and the Department of Veterans Affairs, and inadequate processes for assessing such grave conditions as post-traumatic stress disorder and traumatic brain injury.

The demobilization process may start before the end of the crisis or war, although it generally begins following the conflict and ends when readiness in assigned forces is restored to the level required

for future conflicts.<sup>299</sup> This transition process determines the reserve components' ability to fulfill the roles and missions assigned to them. Mobilization and demobilization should not be considered as isolated, onetime events in a reservist's career. Rather, they must be viewed as steps in creating a seamless, integrated force, and the relevant policies and procedures must be adjusted accordingly. Yet despite the significant changes planned for the rest of the mobilization process, the services have left demobilization unchanged. As Assistant Secretary Hall testified, "The demobilization process will remain relatively unchanged under ARFORGEN [the Army Force Generation Model]."<sup>300</sup>

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Mobilization and demobilization . . . must be viewed as steps in creating a seamless, integrated force, and the relevant policies and procedures must be adjusted accordingly.

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**Finding:** For a reserve component that is participating in a force generation model, the demobilization process is the first opportunity to prepare a reservist for his or her next deployment.

Many of the problems in the demobilization process identified during the global war on terror have been addressed in great detail by one or more of the reports or studies listed in Table V.2, and a number have been fixed. Throughout its hearing process, the Commission heard compelling testimony that underscored the urgency of implementing the recommendations of these reports and studies.

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299 See Joint Chiefs of Staff, *Joint Mobilization Planning*, Joint Publication 4-05, January 11, 2006, pp. VI-4 to VI-5: "Demobilization activities can begin before the end of the crisis or war as the need for resources diminishes and assets for demobilization support become available. Most demobilization actions, however, will commence following the conflict when immediate post-conflict missions have been assigned by the supported commander and requirements for military forces and resources decline. Although demobilization, like mobilization, is essentially a Military Department responsibility, the supported and supporting commanders play coordinating and synchronizing roles when the resources of two or more Services are involved or when two or more Services are competing for the same resources. In any event, **the combatant commanders monitor the status and progress of demobilization and concurrent recovery operations** to assess the adequacy of actions to restore readiness of assigned forces to required levels for future conflicts. . . . Following redeployment, the Military Departments deactivate units or return them to a reserve status. **Military personnel** are released from active duty or returned to reserve status. The number of **civilian employees** may be reduced. **Materiel and equipment** may be returned to bases of origin or other reserve/guard units, moth-balled, stored, distributed to other nations through foreign military sales or other security assistance programs, destroyed, sold for scrap, or turned over to Defense Reutilization and Marketing Offices. As with mobilization, assets in the other resource areas are required to support the demobilization of manpower and equipment; but as these support requirements decline, **demobilization activities are accomplished in the other resource areas.**"

300 The Honorable Thomas F. Hall, Assistant Secretary of Defense for Reserve Affairs, prepared witness statement before the CNGR, Hearing on Reserve Component Policy Reform Policies, April 12, 2007 ([www.cngr.gov/hearing411-12/Hall%20CNGR%20testimony.pdf](http://www.cngr.gov/hearing411-12/Hall%20CNGR%20testimony.pdf)), p. 17.

Table V.2. Recent Reports and Studies

Study/Report	Date/Known As	Focus of Study/Report
Independent Review Group, <i>Rebuilding the Trust: Report on Rehabilitative Care and Administrative Processes at Walter Reed Army Medical Center and National Naval Medical Center</i>	April 2007, Walter Reed Report	To review current rehabilitative care and administrative processes at Walter Reed Army Medical Center, Washington, DC, and National Naval Medical Center, Bethesda, MD.
Task Force on Returning Global War on Terror Heroes, <i>Task Force Report to the President: Returning Global War on Terror Heroes</i>	April 2007, Nicholson Veterans Affairs	To review federal benefits and processes for changes that could improve veterans' access to services and programs.
<i>An Achievable Vision: Report of the Department of Defense Task Force on Mental Health</i>	June 2007, DOD Mental Health Report	To examine mental health matters to improve the efficacy of mental health services provided to armed forces members by DOD.
<i>Serve, Support, Simplify: Report of the President's Commission on Care for America's Returning Wounded Warriors</i>	July 2007, Dole-Shalala Report	To examine the effectiveness of wounded service members' transition from deployment to their productive return to military service/civilian society.
Veterans' Disability Benefits Commission, <i>Honoring the Call to Duty: Veterans' Disability Benefits in the 21st Century</i>	October 2007, Veterans' Disability Benefits Commission	To study the benefits and services intended to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service.

In addition to these reports and studies, Congress has passed the Wounded Warrior Act in the National Defense Authorization Act for Fiscal Year 2008.<sup>301</sup> This landmark legislation addresses a broad spectrum of issues, including improvements to care management of injured service members, health care services, establishment of centers of excellence on major combat-related injuries such as traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD), the disability determination process, and improved coordination between the Department of Defense and the Department of Veterans Affairs.<sup>302</sup>

Witnesses at Commission hearings have identified a number of demobilization and transition issues. In San Diego, for example, the Commission heard testimony regarding transition assistance from battalion commanders recently returned from Iraq and Afghanistan. Lieutenant Colonel Thomas Sisinyak, U.S. Army Reserve, praised the transition briefings his battalion had received at Fort Stewart. However, he went on to explain that there is a worrying disconnect between the assistance provided during demobilization and the resources available once service members rejoin their family and community. While help is available for those willing and able to go to a military installation, this is not an option for many reserve component members as they are adjusting to life back in their local community.<sup>303</sup>

301 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1601.

302 House Report 110-477, §§1601–1676.

303 Lieutenant Colonel Sisinyak, U.S. Army Reserve, Commander, 812th Transportation Battalion, testimony before the CNGR, Hearing on National Guard and Reserve Issues, transcript of September 21, 2006, hearing ([www.cngr.gov/hearing918-21/transcript4.pdf](http://www.cngr.gov/hearing918-21/transcript4.pdf)), p. 32.



The Commission benefited from the insights of Lieutenant General Jack Stultz into the demobilization process. He testified:

In terms of the medical dental readiness in the demobilization process, we need to treat the soldier—and I don’t mean this to sound cold—just like we treat a piece of equipment. When we bring a piece of equipment back from theater and it’s returned back to the return, it comes back to me in 10, 20 standards. It’s the Army’s responsibility to fix that piece of equipment before it comes back to me.

We don’t use the same approach for the soldier. We bring the soldier back, and it’s a process of getting him through the demobilization and returning him to the reserve components as quickly as we can. And point being is dental readiness. We don’t have a policy or program that says we take care of dental needs at the demobilization site. Now, what we find is we have to get soldiers to a certain state of dental readiness before we deploy them, active and reserve. When they are deployed in theater, their dental readiness deteriorates. It’s based on lack of dental care while in the desert, plus their diet; they are sucking down a lot of sodas over there.

When they come back, the active Army—when they go back into their reset, they find they have a lot of dental work to get soldiers back in—but the reserve, they return them to us, and now it’s our responsibility at our expense to get those soldiers back to their readiness.<sup>304</sup>

The following discussion will focus on those areas that continue to pose particular difficulties for reservists and guardsmen: health assessments and reassessments, PTSD and TBI, follow-on care, and the Transition Assistance Program.

## Deployment Health Assessments and Reassessment

Federal law requires that the services conduct health assessments for every demobilizing reservist and that a trained health care provider determine if referrals are needed. These assessments are used to identify possible medical, dental, and mental health problems that may trouble reservists before demobilizing and while demobilizing from active duty. The pre-deployment health assessment (DOD Form 2795) documents the state of health of a reservist before possible deployment; the Post-Deployment Health Assessment (PDHA), conducted during demobilization, is a face-to-face health assessment during which responses to questions on a previously completed self-assessment (DOD Form 2796) are discussed. Similarly, the pre-deployment assessment is a self-assessment, and a health care provider follows up if concerns are raised.<sup>305</sup> In 1997, Congress required the use of pre- and post-deployment “medical examinations,”<sup>306</sup> but DOD relies on a self-assessment rather than a medical examination as a first step. Between 90 to 180 days after demobi-

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“ . . . mental health concerns may be under-reported . . . because service members fear that reporting a concern will delay reunions with their family members.”

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304 Lieutenant General Stultz, Chief, U.S. Army Reserve, testimony before the CNGR, Hearing on National Guard and Reserve Issues, transcript of July 19, 2006, hearing ([www.cngr.gov/July%2019/transcript0719.pdf](http://www.cngr.gov/July%2019/transcript0719.pdf)), p. 33.

305 10 U.S.C. §1074f; Department of Defense Instruction 6490.03, “Deployment Health,” August 11, 2007, pp. 7, 21, 27, 28 29.

306 10 U.S.C. §1074f.

lization, the Post-Deployment Health Reassessment (PDHRA; DOD Form 2900) is administered to determine if health conditions have changed since the PDHA.<sup>307</sup>

The DOD Mental Health Report observes,

Although automated self-report screening instruments serve a useful purpose, the validity of general screens used in pre- and post-deployment assessments suffer from the predictable limitations of a self-report instrument heavily influenced by the environment and by expectations of the service member. For example, Task Force members were told on multiple site visits that the validity of the Pre-Deployment Health Assessment suffers because service members underreport their mental health concerns if they are eager to deploy. Similarly, mental health concerns may be under-reported on the PDHA immediately following return from deployment because service members fear that reporting a concern will delay reunions with their family members while their concerns are assessed.<sup>308</sup>

Another reason for unease is that the services may not be consistently providing the personal follow-up and referrals for further evaluation to service members who need them, or ensuring that such referrals are used when they are given. Many of the medical issues that occur post-demobilization can be more easily identified if the unit commander sees reservists and has them evaluated within the first months after demobilization—but current DOD policy exempts involuntarily activated members from drill periods for 60 days after a unit returns from deployment.<sup>309</sup>

The Senate Armed Services Committee expressed its concern “that there is a need for further evaluation of the effectiveness of this reassessment and its implementation by the military departments. In particular, the committee is concerned about the effectiveness of the web-based Post-Deployment Health Reassessment (PDHRA), and whether the services are consistently providing face-to-face follow-up, referrals for further evaluation, and completion by the service members of follow-on evaluations if applicable. The committee is also concerned about the extent to which the PDHRA is included in the Department’s quality assurance program for medical tracking, required by section 1074f of title 10, United States Code.”<sup>310</sup>

According to DOD officials, not all service members who give three or four answers to screening questions indicative of possible PTSD will need referrals for further mental health evaluations. DOD

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307 CNGR request for data from DOD, October 2006, questions #116–17—data received from services April 2007.

In some cases the PDHA is completed in theater to expedite the demobilization process upon the service member’s return to the United States. Because RC members in the Navy and Marine Corps are not released from a Navy Mobilization Processing Station (NMPS) without a completed PDHA, their completion rate is 100 percent. Most PDHRAs are completed through a contracted call center, and the rest are filled out in person at a treatment facility. The Air National Guard reports 80 percent on-time completion of PDHAs (within 5 days of redeployment). More than 90 percent of members of Army reserve components completed the PDHA. In accordance with DOD Instruction 6490.03, “Deployment Health,” all services must initiate a clinical referral if the questionnaire and follow-up evaluation by a health care provider indicate a potential problem. If continuation on active duty is required for medical evaluation and care for illnesses or injuries suffered in the line of duty, mobilized members may volunteer for that status.

308 *An Achievable Vision*, p. 25. The task force recommended that “[e]ach service member should undergo an annual psychological health needs assessment addressing cognition, psychological functioning, and overall psychological readiness. The assessment should be conducted in a setting that allows interpretation by a trained professional and prompt referral to a credentialed mental health provider, with a person-to-person handoff. Though challenging, the same procedure should apply to National Guard and Reserve members” (pp. 25–26). In addition, “The items on the Pre-Deployment Health Assessment, the Post-Deployment Health Assessment, and the Post-Deployment Health Re-Assessment should be coordinated to ensure maximum reliability and validity” (p. 26).

309 Under Secretary Chu, memorandum, “Revised Mobilization/Demobilization Personnel and Pay Policy for Reserve Component Members,” p. 4.

310 Senate Report 110-77, on the NDAA for FY 2008, “Items of Special Interest, Comptroller General Study of Post-Deployment Health Reassessment,” 110th Cong., 1st sess., June 5, 2007, p. 360.

relies on its health care providers to decide who needs a referral, but the Government Accountability Office found that they varied in the frequency with which they issued referrals to service members with three or more such responses; the Army referred 23 percent, the Marine Corps about 15 percent, the Navy 18 percent, and the Air Force about 23 percent. Moreover, DOD did not identify the factors upon which DOD health care providers based their clinical judgments in issuing referrals, although such information “could explain variation in the referral rates and allow DOD to provide reasonable assurance that such judgments are being exercised appropriately.”<sup>311</sup>

The services appear to be adequately meeting the requirement to have redeploying and demobilizing reservists fill out the PDHA prior to demobilization. It is difficult to determine if the PDHRA is being administered as effectively, because it is not as closely tracked.<sup>312</sup>

- Finding:** The pre-deployment health assessment mandated by Congress may not adequately identify serious mental or physical health problems prior to deployment.
- Finding:** Shortcomings in the demobilization process delay timely identification of serious health problems such as post-traumatic stress disorder and traumatic brain injury.
- Finding:** There are significant disparities among the services with respect to how well health care providers follow up the mental health questions on the Post-Deployment Health Assessment (PDHA). The Office of the Secretary of Defense has also failed to provide uniform guidance.
- Finding:** The services do not adequately track completion of the Post-Deployment Health Reassessment (PDHRA) within the required 90–180 days, a lapse in oversight that affects reserve component members.
- Finding:** DOD policy bars drill periods for 60 days after a unit returns from deployment. During that span of time, serious problems may go unrecognized.

## Mental Health, Post-demobilization Care, and Disability Determination

Data from the Post-Deployment Health Reassessment indicate that 44 percent of reservists and 41 percent of national guardsmen screened since 2005 have reported some concerns about psychological health. The rates are significantly higher among those with repeated deployments, a rapidly growing cohort; and the psychological health of family members of deployed and returning veterans of Operations Iraqi Freedom and Operation Enduring Freedom is also a matter of concern, though quantitative studies remain to be done.<sup>313</sup> In addition to their physical wounds, service members who have been injured in combat may also be at risk for developing mental health impairments such as post-traumatic stress disorder, which research has shown to be strongly associated with

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311 Cynthia A. Bascetta, Director, Health Care, GAO, “DOD and VA Health Care: Challenges Encountered by Injured Service Members During Their Recovery Process,” prepared statement before the Subcommittee on National Security and Foreign Affairs, Committee on Oversight and Government Reform, House of Representatives, March 5, 2007 (GAO-07-589T), Highlights (n.p.) and p. 7; GAO, “Post-Traumatic Stress Disorder: DOD Needs to Identify the Factors Its Providers Use to Make Mental Health Evaluation Referrals for Service Members,” GAO-06-397 (Report to Congressional Committees), May 2006, pp. 5–6.

312 The services were unable to provide the Commission with accurate data on this question (CNGR request for data from DOD, October 2006).

313 *An Achievable Vision*, pp. 25, ES-2, 5.

experiencing intense and prolonged combat.<sup>314</sup> Many of these reservists, and in particular members of the Individual Ready Reserve, have a very difficult time obtaining needed information or access to medical care because they live a significant distance from a military installation, they have served in cross-leveled units distant from their home station, or they are individual replacements.

As stated above, the services need to do a better job tracking and identifying reservists who have not completed the PDHRA to ensure that individuals who require care for physical and mental conditions receive it. In addition, participation by the Department of Veterans Affairs, as was suggested to the Commission during a field visit in San Diego, would help smooth the transition from DOD to VA for follow-on care.<sup>315</sup> Nor can it be assumed that those who do complete the PDHA do so accurately. As already mentioned, some service members worry that reporting a problem will delay their reunion with family members; others fear revealing mental health concerns because of the stigma that, according to the DOD Mental Health Report, “remains pervasive” in the military.<sup>316</sup> Medical and dental issues may have been underreported as well, for many of the same reasons. Reservists who have dental health issues may also go untreated because they are not aware that dental care is available through VA for a limited time period after demobilization.<sup>317</sup> Recently discharged veterans who served on active duty for 90 days or more have been able to receive onetime dental treatment from VA if they applied within 90 days of separation from active duty.<sup>318</sup> Congress extended the application period to 180 days in the National Defense Authorization Act for Fiscal Year 2008.<sup>319</sup> The Commission endorses this change and recommends that the Congress consider further extension of the application period to ensure that reserve component members have sufficient opportunity to be made aware of the VA dental benefit. The NDAA also clarifies that the outreach services program of the Department of Veterans Affairs covers members of the reserve components, and it defines outreach as “reaching out in a systematic manner to proactively provide information, services, and benefits counseling[.]”<sup>320</sup>

Poor communication between DOD and VA is also a problem. Currently, there is no formal interagency agreement between DOD and VA to transfer case management responsibilities across the military services and VA.<sup>321</sup> A GAO representative testified in 2007, “In summary, DOD and VA have made various efforts to provide medical care and rehabilitative services for OEF/OIF [Operation Enduring Freedom/Operation Iraqi Freedom] servicemembers. . . . However, we found several problems in the efforts to provide health care and rehabilitative services for OEF/OIF servicemembers. For example,

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. . . 44 percent of reservists and 41 percent of national guardsmen screened since 2005 have reported some concerns about psychological health. The rates are significantly higher among those with repeated deployments.

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314 See Charles W. Hoge et al., “Combat Duty in Iraq and Afghanistan, Mental Health Problems, and Barriers to Care,” *New England Journal of Medicine* 351 (2004): 13–22.

315 MFR, Commission visit to San Diego VA Healthcare System, September 18, 2006.

316 *An Achievable Vision*, pp. ES-3, 25.

317 MFR of Visit to San Diego VA Healthcare System, September 18, 2006, pp. 2, 5.

318 *Federal Benefits for Veterans and Dependents*, 2006 ed. ([Washington, DC]: Department of Veterans Affairs, 2006), p. 13.

319 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1709.

320 House Report 110-477, §1710.

321 *Task Force Report to the President: Returning Global War on Terror Heroes* (Washington, DC: Department of Veterans Affairs, 2007), p. 24.

DOD and VA had problems sharing medical records and questions arose about the timing of VA's outreach to servicemembers whose discharge from military service was not certain."<sup>322</sup>

In May 2003, the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans identified major barriers to the seamless transition from DOD to VA for service members leaving active duty and recommended that by fiscal year 2005, VA and DOD should develop and deploy electronic medical records that are interoperable, bidirectional, and standards-based. The Task Force also recommended that DOD transmit to VA an electronic DD214 (Certificate of Release or Discharge from Active Duty).<sup>323</sup> Four years later, in its April 2007 report, DOD's Independent Review Group (IRG) found that "[a] common automated interface does not exist between the clinical and administrative systems within the Department of Defense and among the Services, causing a systemic breakdown of a seamless and smooth transition from Department of Defense to the Department of Veterans Affairs." The Independent Review Group recommended rapid development of a "standard automated systems interface for both clinical and administrative systems that allows bilateral electronic exchange of information" and implementation of the recommendations of the 2003 President's Task Force.<sup>324</sup> In its Wounded Warrior Act, Congress addressed the problem head-on and directed DOD and VA to "develop and implement electronic health record systems or capabilities that allow for full interoperability of personal health care information" and to "accelerate the exchange of health care information" between the two departments. Subsequently, on December 27, 2007, DOD issued a press release announcing enhancements in its methods of sharing electronic health information with VA.<sup>325</sup> The NDAA for FY 2008 also directs that DOD modify the DD214 to permit service members being released from active duty to elect to have it sent directly to VA.<sup>326</sup>

When a demobilizing reservist is injured or contracts a disease in the line of duty, he or she is eligible for military disability compensation.<sup>327</sup> Reservists who leave the military may also be eligible for compensation from the Department of Veterans Affairs (the two systems are compared in Table V.3).<sup>328</sup>

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322 Bascetta, "DOD and VA Health Care."

323 President's Task Force to Improve Health Care Delivery for Our Nation's Veterans, "Final Report," May 2003, pp. 24–25, 27, 30.

324 Independent Review Group on Rehabilitative Care and Administrative Processes at Walter Reed Army Medical Center and National Naval Medical Center, *Rebuilding the Trust: Report on Rehabilitative Care and Administrative Processes at Walter Reed Army Medical Center and National Naval Medical Center* (Arlington, VA: Independent Review Group, 2007), pp. 32, 33–34.

325 DOD News, "Enhanced Health Information Sharing Supports Care of Wounded Warriors," December 27, 2007 ([www.defenselink.mil/releases/release.aspx?releaseid=11588](http://www.defenselink.mil/releases/release.aspx?releaseid=11588)).

326 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §§1635, 596.

327 GAO, "Findings and Recommendations Regarding DOD and VA Disability Systems," GAO-07-906R (Briefing to the President's Commission on Care for America's Returning Wounded Warriors), May 25, 2007, p. 1 (hereafter cited as "Military and VA Disability Systems"). As GAO explained in its briefing to the President's Commission on Care for America's Returning Wounded Warriors, "In the DOD military disability retirement system, each of the military services administers its own disability evaluation process. According to DOD regulations, the process begins with a medical evaluation board (MEB) that takes place at a military treatment facility when a physician identifies a condition that may interfere with a service member's ability to perform his or her duties. Cases in which service members do not meet military retention standards according to the MEB are then referred to a physical evaluation board (PEB), which is responsible for determining if service members can no longer perform their assigned military duties, and if the illness or injury that renders them 'unfit for duty' is linked to military service" (p. 1).

328 GAO, "Military and VA Disability Systems," pp. 1–2. It is the responsibility of a service representative at one of the 57 regional offices of the Veterans Benefits Administration (VBA) to obtain the evidence needed to evaluate a veteran's claim for VA disability compensation, whether for injury or illness.



Table V.3. Comparison of the DOD and VA Disability Compensation Systems

DOD	VA
Compensates military service members rendered unfit for military duty as a result of service-connected disability	Compensates veterans with service-connected disabilities to make up for an average reduction in civilian earnings capacity they are likely to experience
Considers only conditions making member unfit for duty	Considers all service-connected injuries and illness
Rates conditions on the basis of VA <i>Schedule for Rating Disabilities</i>	Rates conditions on the basis of VA <i>Schedule for Rating Disabilities</i>
Compensation is based on years of military service and disability rating	Compensation is based primarily on disability rating and number of dependents
Lump-sum or monthly payments	Monthly payments only

Source: GAO, "Findings and Recommendations Regarding DOD and VA Disability Systems," GAO-07-906R (Briefing to the President's Commission on Care for America's Returning Wounded Warriors), May 25, 2007, p. 7.

GAO evaluated these disability systems and found numerous problems with the consistency and timeliness of VA and military disability decisions, disparities between Army active duty and reserve members in disability determinations, and poor oversight of the evaluations of service members for military disability.<sup>329</sup> Several commissions, including Dole-Shalala and the Veterans' Disability Benefits Commission,<sup>330</sup> have made major recommendations for restructuring the entire process. As a result, the Commission makes no specific recommendation in this case, deferring to the expertise of those who have spent months analyzing disability system reform. The Commission notes, however, the importance of rapidly implementing the reforms that those commissions and the NDAA for FY 2008 have proposed. The Wounded Warrior Act includes several provisions that will help address the disparity observed by GAO in disability determinations for some reserve component members. Section 1643 requires the Secretary of Defense to establish a Physical Disability Board of Review to review, upon request, the Physical Evaluation Board findings and decisions for service members found not eligible for retirement who have separated or will separate from the armed forces between September 11, 2001, and December 31, 2009, with a disability rating of 20 percent or less. Another provision reduces to six months the length of "active duty" service required to establish the presumption that a disability was incurred while on active duty when the disability "was not noted at the time of the member's entrance on active duty (unless compelling evidence or medical judgment is such to warrant a find that the disability existed before the member's entrance on active duty)." <sup>331</sup>

329 GAO, "Military and VA Disability Systems," p. 3. GAO noted that "VA claims processing timeliness and decisional accuracy often are hampered by its inability to obtain the information it needs in a timely manner. For example, to obtain information needed to fully develop some post-traumatic stress disorder (PTSD) claims, VBA must obtain records from the U.S. Army and Joint Services Records Research Center (JSRRC), whose average response time to VBA regional office requests is about 1 year" (p. 3).

330 *Serve, Support, Simplify: Report of the President's Commission on Care for America's Returning Wounded Warriors* ([Washington, DC: President's Commission on Care for America's Returning Wounded Warriors], 2007); *Honoring the Call to Duty: Veterans' Disability Benefits in the 21st Century*, Veterans' Disability Benefits Commission, October 2007 ([www.vetscommission.org/pdf/FinalReport10-11-07-compressed.pdf](http://www.vetscommission.org/pdf/FinalReport10-11-07-compressed.pdf)).

331 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §§1643, 1641.

- Finding:** Forty-four percent of reservists and 41 percent of national guardsmen screened since 2005 have reported some concerns about psychological health. Because many reserve component members live at a significant distance from military installations, however, they often have considerable difficulty in finding good information about and access to medical care.
- Finding:** Reserve component members who serve in cross-leveled units distant from their home station and as individual replacements can face particularly difficult challenges in finding needed support and assistance after they are inactivated.
- Finding:** Reserve component members returning from theater may be discharged with their dental problems unresolved. Many are unaware that they have access for a limited time to dental care through the VA. Failure to seek such care can impair dental readiness for the next deployment cycle and result in additional out-of-pocket expenses.
- Finding:** Numerous serious shortcomings have been identified in the health care provided to injured service members, including inadequate case management, delays and inconsistencies in the disability determination process, lack of coordination between the Department of Defense and the Department of Veterans Affairs, and inadequate processes for assessing such grave conditions as post-traumatic stress disorder and traumatic brain injury.
- Finding:** Numerous groups performing reviews have found significant differences in how disability ratings are assigned both within and between the services and between DOD and VA.

### Transition Assistance Program During Demobilization

Since 1990, the Transition Assistance Program (TAP) has provided assistance in job searches and related services to more than one million former service members transitioning into civilian life; though the core of the program is a comprehensive three-day workshop, offered at military installations, material and resources are also available at TAOnline.com regardless of where the customer is.<sup>332</sup>

Approaches to communicating about TAP to reservists during demobilization vary by service.<sup>333</sup> Reserve component members often transition at a limited number of demobilization sites, frequently within a few days of returning to the United States. The schedule is packed during demobilization

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332 U.S. Department of Labor, Veterans' Employment and Training Service, "Transition Assistance Program" (brochure), available at [www.dol.gov/vets/programs/tap/transition\\_assistance\\_program.pdf](http://www.dol.gov/vets/programs/tap/transition_assistance_program.pdf).

333 CNGR request for data from DOD, October 2006, question #106—data received from services April 2007. In the Army, the Transition Assistance Program is called the Army Career and Alumni Program, and it is offered to all demobilizing soldiers. In October 2006, the Assistant Secretary of the Army for Manpower and Reserve Affairs (Human Resources) established the Mobilization and Demobilization Transition Services Assessment and Assistance Program to determine and assess the type, quality, and duration of transition services being provided from theater through the demobilization station and on to the reservists' home station. The Army Career and Alumni Program is intended to integrate all activities associated with the mobilization and demobilization process that require cross-functional support and promote the teamwork of selected commands and agencies of the Headquarters of the Army. The Marine Corps requires commanders to inform all Reserve Marines being deactivated of their Transition Assistance benefits and how to access them. In the Navy, all demobilizing RC personnel are provided access to the program. TAP services are available at their home station, prior to release from active duty, to all members of the Air Force Reserve who serve more than 180 days, and on average 75 percent take advantage of them. Because members of the Air National Guard have no demobilization sites, they are not formally offered DOD's TAP on retirement or separation, though members who are co-located with active duty bases can take advantage of workshops there.

with as many as 18 separate briefings on topics ranging from legal to medical issues. A three- to four-hour briefing on veterans' benefits for transitioning active component service members may be cut to 45 minutes for national guardsmen and reservists. In addition, other activities, such as physical examinations, are often scheduled during the same short time period. As a result, reservists sometimes fail to receive needed information. And even when reservists are properly briefed, they are often too eager to return to their homes and civilian jobs to fully take advantage of the information being offered.<sup>334</sup>

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... the Yellow Ribbon Program offers a promising holistic approach to addressing reintegration challenges of medical benefits, suicide prevention, family benefits, legal issues, education, employment, and business needs.

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The inconsistent provision of support during the demobilization led Congress to authorize the Yellow Ribbon Reintegration program for all deployed reserve component members. The program—pioneered by the Minnesota National Guard—offers information, services, referral, and outreach to soldiers, spouses, employers, and children during mobilization, deployment, and post-deployment. It is designed to change how soldiers are reintegrated back into their communities, jobs, schools, and family, and it functions as a reminder that support of soldiers does not end when they return from deployment. Under the program, beginning 30 days after they return, Minnesota National Guard units and their family members gather together monthly for specialized training, workshops, and seminars.<sup>335</sup> The Commission believes that the Yellow Ribbon Program offers a promising holistic approach to addressing reintegration challenges of medical benefits, suicide prevention, family benefits, legal issues, education, employment, and business needs. In the FY 2008 NDAA, Congress authorized the Under Secretary of Defense for Personnel and Readiness to administer the program for all National Guard and Reserve members and their families throughout the deployment cycle.<sup>336</sup>

**Finding:** Many reserve component members do not receive adequate transition assistance information during briefings and during the demobilization process.

**Finding:** The Yellow Ribbon Program can provide a holistic system for addressing reintegration challenges of medical benefits, suicide prevention, family benefits, legal issues, education, employment, and business.

#### Recommendations:

73. To ensure coordinated implementation of the excellent recommendations of the reports submitted by numerous commissions over the past six months, as well as Congress's landmark Wounded Warrior Act, the President should require the development of action plans—including timelines for implementation—by the Department of Defense, the Department of Veterans Affairs, and other federal agencies. The President should also establish a cabinet-level task force to oversee their implementation, coordinate interdepartmental concerns, and address issues

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334 GAO, "Military and Veterans' Benefits: Improvements Needed in Transition Assistance Services for Reserves and National Guard," GAO-05-844T (Testimony before the Subcommittee on Economic Opportunity, Committee on Veterans' Affairs, House of Representatives), June 29, 2005, pp. 5–7.

335 See "Beyond the Yellow Ribbon," a Web site of the Minnesota National Guard, updated December 12, 2007 ([www.minnesotanationalguard.org/returning\\_troops/btyr\\_overview.php](http://www.minnesotanationalguard.org/returning_troops/btyr_overview.php)).

336 House Report 110-477, statement of managers' language accompanying the conference agreement on the NDAA for FY 2008, 110th Cong., 1st sess., December 6, 2007, p. 916.

of funding with the Director of the Office of Management and Budget. The cabinet-level task force should make its top priority restructuring and streamlining the DOD and VA disability determination processes and eliminating other long-standing VA and DOD stovepipes, such as medical information systems that lack interoperability and bidirectionality.

74. The pre-deployment health assessment should be revised to reflect the original congressional intent to establish baseline health data, including data on psychological health; it should also go beyond the current reliance on self-assessment to incorporate greater participation by health care providers.
75. Reserve component units should resume monthly drills immediately after demobilization. As recommended by DOD's Mental Health Task Force, "At least the first drill should focus on reintegration issues with attention to discussion of deployment experiences, aspects of reintegration into community life, coping strategies and resilience supports, and other appropriate topics."
76. The services should more closely track Post-Deployment Health Reassessments to ensure that they are completed within the statutorily required 90–180 days and that a member who has identified problems on the reassessment receives face-to-face counseling from a provider. In addition, a tracking system should be established to identify reservists who have not completed the PDHRA, and DOD should monitor the services' compliance with all requirements.
  - a. DOD should prescribe uniform guidance for providers who follow up on responses to the mental health questions on the Post-Deployment Health Assessment, and it should monitor the services' compliance.
  - b. DOD, VA, and the services should establish protocols requiring VA participation in the counseling of service members and their families both before and after deployment, as well as VA participation in all post-deployment health reassessments.
77. The services should develop a protocol to ensure that needed services are available to reserve members who do not demobilize at their home station or who are members of the Individual Ready Reserve. The services should establish a tracking system to make certain that these individuals receive all the information, help, and benefits to which they are entitled.
78. Reserve component members should have one year to apply for dental care through VA.
79. Transition assistance information should be provided not just during the demobilization process but also during the first several post-demobilization drill sessions. Family members should be encouraged to attend and to participate in transition assistance; they should be counseled on the services available to assist families in coping with post-deployment concerns.
80. A single standard of reintegration care should be provided to all those who serve on extended or multiple deployments regardless of their service or reserve component category (Individual Ready Reserve, Retired Reserve, or individual mobilization augmentee). Funding to provide these services should be reflected in each service's base budget for the reserve components.





## VI. REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

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Congress directed the Commission to assess the current and future organization, structure, roles, and missions of the National Guard and Reserves.<sup>1</sup> Despite the reserve component's extraordinarily high operational tempo in the past several years, many of its organizational structures have not been modified to support the evolution of the reserves into an operational force. As testimony by numerous DOD, Joint Staff, and service witnesses over the past two years has emphasized, today's National Guard and Reserves are no longer the strategic reserve force of the 1980s. They are instead a critical operational component of the total force.<sup>2</sup> The current leadership structure of the reserve components and existing categories of reserve service were created and evolved during an era when the reserve components were intended to be used as a strategic reserve. They are not well-suited to use for an operational reserve force, nor are they optimal for developing and maintaining strategic surge capability in the new security environment. In addition, damaging cultural and structural divides exist between the active and reserve components. While some services have initiated improvements to bridge such divides, major issues persist that are a detriment both to the components and to the services' overall military mission. If the Department of Defense and Congress continue to use the reserve components as an operational force, then they will need to reform department, service, and reserve component organization and leadership structures to sustain that force.

This chapter describes the current structure used to manage the reserve components and suggests how it should be reorganized to achieve more effective integration and more efficient management. In general, the Commission recommends transforming reserve component categories to better reflect the full spectrum of manpower and capability needed by the nation for both operational and strategic purposes, and reorganizing the Office of the Secretary of Defense, service secretariats, and service headquarters staffs along more functional lines. For example, OSD-level management of active component equipment is the responsibility of the Under Secretary for Acquisition, Technology and Logistics (USD-AT&L), yet reserve equipment policies and budgets are managed and monitored by a deputy assistant secretary who reports to an assistant secretary who reports to a different under secretary. On the face of it, this arrangement does not appear to be the most efficient or effective in ensuring that active and reserve component equipping requirements and programs are

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If the Department of Defense and Congress continue to use the reserve components as an operational force, then they will need to reform department, service, and reserve component organization and leadership structures to sustain that force.

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1 Public Law 108-375, *National Defense Authorization Act for Fiscal Year 2005*, October 28, 2004, §503.

2 The Honorable Michael Dominguez, Principal Deputy Assistant Secretary of Defense for Personnel and Readiness, testimony before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, transcript of June 20, 2007, (afternoon) hearing ([www.cngr.gov/June%2019-21/0620cngr-panel2.pdf](http://www.cngr.gov/June%2019-21/0620cngr-panel2.pdf)), p. 6; see also testimony before the CNGR, Hearing on Roles and Missions, transcript of March 9, 2006, hearing ([www.cngr.gov/pdf/0309cngr.pdf](http://www.cngr.gov/pdf/0309cngr.pdf)), from General Richard A. Cody, Vice Chief of Staff, United States Army (p. 2); Admiral Robert Willard, Vice Chief of Naval Operations (p. 1); General Robert Magnus, Assistant Commandant of the Marine Corps (p. 2); and General John D. W. Corley, Vice Chief of Staff, United States Air Force (p. 2).

thoroughly integrated. Having the same under secretary who manages active component equipment also oversee reserve equipment policy, and treating all other reserve policies likewise, would eliminate separate reserve stovepipes within the Defense Department while integrating the handling of issues in the development of total force requirements. The chapter also recommends ways to create a new shared culture and identity essential to a truly integrated force.

**Conclusion Six: The current reserve component structure does not meet the needs of an operational reserve force. Major changes in DOD organization, reserve component categories, and culture are needed to ensure that management of reserve and active component capabilities are integrated to maximize the effectiveness of the total force for both operational and strategic purposes.**

## A. MAKING NECESSARY CULTURAL CHANGES

During a 2004 validation of Navy reserve force requirements, the Commander of the Navy Reserve, Vice Admiral John G. Cotton, was asked what in the sea service most needed to be fixed. Cotton's answer, which he himself found "most startling," was that what was in greatest need of repair in Navy active and reserve components was the culture. The active component had to be educated about what the reserve could do. Cotton continued, "As a nation we can no longer afford to have separate and unequal forces."<sup>3</sup> The Navy has since begun an ambitious effort to close the cultural divide and integrate active duty with Navy Reserve forces.

The Navy is not alone in its need to close the culture gap between reserve and active components. The Air Force, Marine Corps, Army, and Coast Guard also realize that the problem persists—and all have made attempts, with mixed results, to break down the barriers between active and reserve forces. Historic distrust, a lack of understanding, and perceived inequities affect current active–reserve interactions and lead to breakdowns in communication, feelings of insecurity, and adversarial relationships.

The proficiency of our military force rests on building units with a common vision, on promoting effective communication, and on creating an environment that gains from cultural diversity. The right environment will allow the values, perspectives, and skills of all participants to be employed constructively to benefit the whole and aid in the success of the mission.

Although the roots of today's problems are in some cases centuries old, the cultural divide between active and reserve forces must be overcome if we are to create a truly seamless, cost-efficient, and optimal military force. Addressing specific elements of the cultural divide, identified below, to eliminate barriers and promote effective integration will require substantial modification to today's processes and programs. As Congress and DOD consider implementing the many changes that this Commission is recommending, top leadership also must comprehensively review, reassess, and renew the emphasis on force integration, stressing cultural understanding and acceptance.

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Historic distrust, a lack of understanding, and perceived inequities affect current active–reserve interactions and lead to breakdowns in communication, feelings of insecurity, and adversarial relationships.

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3 Vice Admiral Cotton, quoted in Richard R. Burgess, "Navy Cracking Glass Wall Between Reserve, Active Forces," *Sea Power Magazine*, July 2004, p. 1.

## Defining “Culture”

*Culture* refers to the characteristic attitudes and practices within an organization or society: “it defines the tacit rules that influence actions in a wide variety of situations.” Because it is “rooted in a set of values, beliefs, rituals, symbols, and assumptions,” it drives many unexamined actions. And because it strongly influences behavior, culture “can affect performance and capability,” and it is thus a strategic concern of those who manage human resources.<sup>4</sup> Military leadership plays a critical and important role in shaping the organization by communicating and rewarding acceptable behaviors, by providing an environment that encourages understanding, and by implementing practices and procedures that lead to the successful blending of differing cultures. In 2002, Secretary of Defense Donald Rumsfeld “call[ed] for a revolution in culture in terms of the way we think, the way we train, the way we exercise, and the way we fight.” To transform the military he “encourag[ed] a culture of creativity and intelligent risk taking” and asked for “a more entrepreneurial approach to developing military capabilities.”<sup>5</sup> Just as important to Department-wide cultural transformation is an effort to integrate the components and overcome cultural barriers between the active and reserve forces.

## The Active–Reserve Cultural Gap

Signs of division between the active and reserve components appeared as early as 1776. In words that are now famous, Thomas Paine sang the praises of “regular” forces and disparaged the militias of the time: “These are the times that try men’s souls: The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it NOW, deserves the love and thanks of man and woman.”<sup>6</sup> While the labels “summer soldier” and the “sunshine patriot” applied most directly to those who quit when the going got tough, the phrases also described those in the militia, who routinely left the battlefield and went home when their families and crops needed them. The cultural gap described by Paine has endured for more than two centuries and is evident in the nation’s military today.

More recent history has left its mark more directly on relations between the reserve and active components. During World War II, a conflict during which a draft was implemented, mobilization swelled the Army’s size to 5.4 million by the end of 1942.<sup>7</sup> The reserves played a major role in the conflict. Initially, however, they were not effective, for two reasons. First, civil and military leaders had planned for “a war effort [undertaken] primarily in defense of the United States.” Second, they had envisioned having many months to train, equip, and otherwise get reserve forces ready before committing them to combat. As a result, the armed forces—the reserves in particular—were not prepared, and their capabilities were not adequate for the modern warfare of the day.<sup>8</sup>

The poorly managed reserve mobilizations during the Korean War created a political uproar that spurred legislative action. Congress was much more willing than either the Department of Defense or the military services to fund the reserves properly, and it began passing laws to place reserve programs on a more sound financial footing. “Beginning with the passage of the Armed Forces

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4 Beth Asch and James R. Hosek, *Looking to the Future: What Does Transformation Mean for Military Manpower and Personnel Policy*, OP-108-OSD (Santa Monica, CA: Rand, 2004), p. 7.

5 Asch and Hosek, *Looking to the Future*, p. 2.

6 Thomas Paine published a series of pamphlets titled *The American Crisis*; these are the opening lines of the first (December 19, 1776); in *Collected Writings*, ed. Eric Foner (New York: Library of America, 1995), p. 91.

7 Frank N. Schubert, “Mobilization: The U.S. Army in World War II: The 50th Anniversary,” CMH Pub 72-32 (U.S. Army Center of Military History, 1995), available at [www.army.mil/cmh-pg/documents/mobpam.htm](http://www.army.mil/cmh-pg/documents/mobpam.htm).

8 Abbott A. Brayton, “American Reserve Policies since World War II,” *Military Affairs* 36, no. 4 (December 1972): 139–44; quotation, p. 139.

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Reserve Act of 1952,<sup>9</sup> a series of key laws eliminated most of the old inequities and fostered the development of more effective reserve components. [They] also permitted the use of Guard and Reserve volunteers to support the active duty forces.”<sup>10</sup>

The Vietnam War led to increased tensions between the active and reserve components after President Lyndon Johnson ignored the advice of the Joint Chiefs of Staff and refused to mobilize reserve forces. Instead, he decided to rely primarily on draftees and active component members. As one study of the reserve components noted, “The Army Reserve forces were devastated by the President’s decision. Not only were dedicated soldiers demoralized by not being able to put their training into practice, but when the Reserve became a haven for those avoiding service in Vietnam it was an additional insult. Moreover, various units were stripped of equipment as the buildup continued, rendering them incapable of deployment even had mobilization been ordered.”<sup>11</sup>

In the post-Vietnam era, the decision was made to increase reliance on the reserve component. The Roundout Brigade Program was established to supplement the capacity of the Army’s active component with Army National Guard and Army Reserve units. RC “units were less expensive . . . to maintain during peacetime than [AC] units,” and mobilization of the reserves would help to ensure political support for a military operation.<sup>12</sup> Yet civilian military analysts and Army officials alike were skeptical about the abilities of roundout brigades. In 1986 Major General Robert E. Wagner, then Commander of the Army Reserve Officers Training Corps Command, declared: “Our service is literally choking on our reserve components. . . . Our reserve components are not combat-ready, particularly National Guard combat units. Roundout is not working. Those units will not be prepared to go to war in synchronization with their affiliated active-duty formations.”<sup>13</sup>

The role of the reserves changed during Operation Desert Storm, which began in the second decade of the all-volunteer military, and in 1991 a quarter million reserve forces were called up to join active forces in the Gulf War.<sup>14</sup> Although most of the service “after-action” and “lessons learned” reports described great successes, the Army in particular encountered enormous challenges. One historian noted, “The 24th Infantry Division, stationed at Fort Stewart, Georgia, was the first heavy division slated for deployment.” Its roundout brigade was the 48th Infantry Brigade of the Georgia National Guard. However, the regular Army’s 197th Infantry Brigade was chosen to deploy instead of the 48th, and “[b]reaking the roundout connection between the 48th Brigade and its parent 24th Division touched off some debate.”<sup>15</sup> Some contended that the active component deliberately made the standards for readiness unreasonably stringent, while others argued that the higher standards reflected “heightened concern under wartime conditions.” Regardless of the reasons, the Guard

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9 Public Law 82-476 (66 Stat. 481–509), July 9, 1952.

10 “Forging the Air National Guard,” History Online ([www.ang.af.mil/history/Forging.asp](http://www.ang.af.mil/history/Forging.asp)) (adapted from chapter 2 of Charles J. Gross, *The Air National Guard: A Short History* [Washington, DC: National Guard Bureau, Historical Services Division, 1994]).

11 Lieutenant Colonel Lewis Sorley, USA (ret.), “Reserve Components: Looking Back to Look Ahead,” *Joint Force Quarterly*, no. 36 (1st Quarter 2005): 20.

12 “Expanding the Shield,” chapter 4 of *The Whirlwind War: The United States Army in Operations Desert Shield and Desert Storm*, ed. Frank N. Schubert and Theresa L. Kraus (Washington, DC: U.S. Army Center of Military History, 1994), p. 71 (available at [www.army.mil/CMH/books/www/Wwindx.htm](http://www.army.mil/CMH/books/www/Wwindx.htm)).

13 Major General Wagner, quoted in “Expanding the Shield,” p. 85.

14 “Oral History: Richard Cheney,” *Frontline: The Gulf War*, January 9, 1996 ([www.pbs.org/wgbh/pages/frontline/gulf/oral/cheney/1.html](http://www.pbs.org/wgbh/pages/frontline/gulf/oral/cheney/1.html))

15 “Expanding the Shield,” pp. 70–71.



viewed the active force as having “broke[n] a solemn trust.”<sup>16</sup> Army and National Guard relations, though up to that time rarely cordial, grew publicly acerbic.

The 1990s were characterized by increasing reliance on the reserve components. Operations in Southwest Asia, Somalia, Haiti, and the Balkans all required the employment of reserve capabilities.<sup>17</sup> This continuing dependence on the reserve components did spur recognition by some that the lowering of cultural barriers was important;<sup>18</sup> but tension between the active components and reserve components was not eliminated, especially as they competed for limited budgetary resources.<sup>19</sup>

For most of the history of the Air Force, there was little interaction between active duty units and Air National Guard and Air Force Reserve Command forces, which “also generally made do with older, hand-me-down aircraft.” In the past decade, the effort to integrate the differing cultures of the three components appeared to be the hardest part of Air Force realignment. Air Force officials struggled with the need “to preserve the unique characteristics of the [Air] Guard and Reserve” while creating integrated active–reserve units.<sup>20</sup> One Air Force Reserve officer described the suspicions of his active counterparts: “Active duty partners often find the RC traits of volunteerism, part time duty, and ‘asking before tasking’ very foreign and not compatible with the AC way of doing things. Additionally, there are still some older active personnel that hold a lingering prejudice against the RC. These few senior people still hold the belief that the RC operates like a ‘flying club,’ is overall unprofessional, and is a sanctuary to escape from hazardous consequences, such as the draft.”<sup>21</sup>

## Efforts to Bridge the Cultural Divide



Reserve Chiefs at July 2006 hearing.

The first modern effort to improve active–reserve relations began in 1970 when, as Secretary of Defense William S. Cohen noted in a 1997 memorandum, Secretary Melvin Laird directed the Department to consider “the Total Force, Active and Reserve, in planning, programming, manning, equipping, and execution processes,” recognizing that the reserves’ lower costs in peacetime would make possible “a larger total force for a given budget. . . . In August 1973, then Secretary James Schlesinger directed each service Secretary to provide the manning, equipping, training, facilities, construction and maintenance necessary to assure that the Selected Reserve units meet deployment times and readiness required by contingency plans.”<sup>22</sup> The newly

16 David T. Fautua, “How the Guard and Reserve Will Fight in 2025,” *Parameters: US Army War College Quarterly* 29, no. 1 (Spring 1999) ([www.carlisle.army.mil/usawc/Parameters/99spring/fautua.htm](http://www.carlisle.army.mil/usawc/Parameters/99spring/fautua.htm)).

17 Data provided by the Office of the Deputy Assistant Secretary of Defense for Reserve Affairs (Manpower and Personnel), November 8, 2007.

18 James Kitfield, “Are We Wearing Out the Guard and Reserve?” *Air Force Magazine* 84, no. 2 (February 2001) ([www.afa.org/magazine/feb2001/0201reserve\\_print.html](http://www.afa.org/magazine/feb2001/0201reserve_print.html)).

19 Alex Prud’Homme, “Lessons of Desert Storm: Phantom Army,” *Time*, June 10, 1991.

20 Adam J. Hebert, “The Totally Integrated Air Force,” *Air Force Magazine* 89, no. 6 (June 2006) ([www.afa.org/magazine/june2006/0606integrated.asp](http://www.afa.org/magazine/june2006/0606integrated.asp)).

21 Lieutenant Colonel Gerald A. Buckman, USAFR, “Making the Future Total Force Work,” United States Army War College Strategy Research Project, March 15, 2006, pp. 3–4.

22 Office of the Assistant Secretary of Defense (Public Affairs), “Secretary Cohen Signs Memorandum Emphasizing Increased Reliance on the Reserve Components,” DefenseLink News Release no. 472-97, September 11, 1997.



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established Total Force Policy also served to encourage an interdependence of the components and shorten the distance between the cultures.

In 1972 General Creighton Abrams, as Chief of Staff of the Army, began rebuilding a force that had been severely weakened by the Vietnam War. Stressing combat readiness and care of the soldier, he saw the reserves as an integral component of the Army and advocated placing the military support units that would be required in any major engagement exclusively in the reserve components. General Abrams believed that wars could be successfully waged only with the support of the nation, and that reliance on the nation's Guard and Reserves would necessitate the development of that support—a policy that became known as the Abrams Doctrine.<sup>23</sup>

All of the services voiced their support of the Total Force Policy yet left their reserve components isolated and dependent on the active force. The new “total force” did little to close the cultural gaps between the components, and resentments continued to fester. Sensing the divide following the 1997 Quadrennial Defense Review, later that year Secretary Cohen sent out the critical memorandum quoted above, calling for all service Secretaries, service Chiefs, and regional combatant commanders “to eliminate ‘all residual barriers structural and cultural’ to effective integration of the Reserve and Active components into a ‘seamless Total Force.’”<sup>24</sup>

**Finding:** There have been numerous efforts in the past by senior DOD leaders to eliminate cultural and structural barriers to the effective integration of the active and reserve components into a total force.

The Army took an important step in 1998, when leaders of the active Army and Army National Guard signed a memorandum of agreement intended to establish “two Active Component/Army National Guard Integrated Divisions.” The memorandum specified “the basic operational procedures” under which the integrated divisions would operate.<sup>25</sup> In the following year, the new Army Chief of Staff, General Eric Shinseki, declared his goal of integrating the active and reserve forces by officially doing away with the phrase “Total Army”: “We are The Army, totally integrated with a unity of purpose—no longer the Total Army, no longer the One Army. We are The Army, and we will march into the 21st century as The Army.”<sup>26</sup> The Army has attempted the integration of active and reserve in its new multi-component force concept. Eleven multi-component units combining active, Guard, and reserve members were initially established to test the concept,<sup>27</sup> and the Army announced its plans to stand up an additional 62 units between 2002 and 2007.<sup>28</sup>

Yet some active duty Army officers still view service with the reserve components as career limiting or ending, according to Raymond E. Bell, Jr., a retired Army brigadier general who was formerly on the staff of the National Defense University. In “Toward Cultural Change of the Total Army”

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23 James Jay Carafano, Ph.D., “The Army Reserve and the Abrams Doctrine: Unfulfilled Promise, Uncertain Future,” Heritage Lectures no. 869, December 18, 2005, p. 1([www.heritage.org/Research/NationalSecurity/upload/77058\\_1.pdf](http://www.heritage.org/Research/NationalSecurity/upload/77058_1.pdf)).

24 OASD (Public Affairs), “Secretary Cohen Signs Memorandum Emphasizing Increased Reliance on the Reserve Components”; see also Kitfield, “Are We Wearing Out the Guard and Reserve?”

25 Headquarters, U.S. Army Forces Command, “The Active Component/Army National Guard Integrated Division MOA Signing: ‘One Team, One Fight, One Future,’” October 12, 1998 (<http://fas.org/man/dod-101/army/unit/docs/981012-memorandum.htm>).

26 General Shinseki, statement of June 23, 1999; quoted in *How the Army Runs—A Senior Leader Reference Handbook, 2005–2006*, 25th ed. (Carlisle, PA: U.S. Army War College, 2006), p. 95.

27 William S. Cohen, Secretary of Defense, *Annual Report to the President and the Congress*, Part VI, “Report of the Secretary of the Army,” 1998.

28 Dallas Owens, Jr., “AC/RC Integration: Today’s Success and Transformation’s Challenge,” U.S. Army War College, Strategic Studies Institute, October 2001.

(2005), Bell commented that “just a casual glance at the active Army general officer ranks shows that practically none of them have ever served with a Reserve Component unit.” Bell further observed that the junior active Army officers who serve “with” a reserve unit do not serve “in” it: “A junior officer may advise a Guard or Reserve unit, but he or she will not be a member of the unit. The advisor reports up the active-duty chain of command and has no real responsibility for the performance of the unit.”<sup>29</sup>

In his testimony before the Commission, John O. Marsh, Jr., a former Secretary of the Army and now Distinguished Professor of Law at George Mason University, cautioned that the historic tension that has existed between active and reserve components can be particularly troublesome for missions on the home front. He stressed, “The nature of the homeland security mission makes it imperative these differences be resolved, especially when an incident occurs requiring the introduction of federal forces into a civilian catastrophe.”<sup>30</sup>

Unlike the Army, the Marine Corps enjoys the reputation of having a total force mind-set. In part, this difference in attitude can be attributed to a way of thinking that begins at the top and reaches down to the most junior level—the belief that being a marine matters more than what component one serves in. This important characteristic of Marine Corps culture minimizes component-based bias. In addition, the Marine Corps is unique among the services in regularly assigning active duty service members to reserve units to provide the majority of full-time support. This is done through the Inspector-Instructor program, which has existed since 1936.<sup>31</sup> The Inspector-Instructor functions to administer, instruct, and assist the commander in reaching “operational excellence,” to help in attaining “mobilization [and] combat readiness,” and to give “technical advice in all command functions.”<sup>32</sup> The Marine Corps has established the active component presence at the unit level—platoon, company, and battalion; the assigned active component personnel support reserve leadership such as the commander, first sergeant, and supply, administration, and maintenance noncommissioned officers instead of serving in those positions.

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“The nature of the homeland security mission makes it imperative [to resolve cultural] differences.”

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Active component marines plan and evaluate training, and they do so to active component standards.<sup>33</sup> All officers assigned to this duty must have completed a recent tour in the operational forces or have attended the appropriate training courses for their pay grade. Lieutenant colonels

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29 Raymond E. Bell, Jr., “Toward Cultural Change of the Total Army,” in *Transforming the Reserve Component: Four Essays*, Center for Technology and National Security Policy, National Defense University, February 2005, p. 26 ([www.ndu.edu/ctnsp/Def\\_Tech/DTP10\\_Reserve%20Component.pdf](http://www.ndu.edu/ctnsp/Def_Tech/DTP10_Reserve%20Component.pdf)).

30 The Honorable John O. Marsh, Jr., Distinguished Professor of Law, George Mason University, prepared witness statement before the CNGR, Hearing on Homeland Defense/Homeland Security, May 4, 2006 ([www.cngr.gov/hearing503-4/Marsh.pdf](http://www.cngr.gov/hearing503-4/Marsh.pdf)), p. 3.

31 Lieutenant General Ronald S. Coleman, USMC, Deputy Commandant for Manpower and Reserve Affairs, prepared witness statement before the CNGR, Hearing on Impact of Reserve Component Personnel, Compensation Policies, June 21, 2007 ([www.cngr.gov/June%2019-21/Coleman%20Statement.pdf](http://www.cngr.gov/June%2019-21/Coleman%20Statement.pdf)), p. 6.

32 HQMC(RA) brief provided to CNGR staff, September 22, 2005, pp. 17–19. Marine Forces Reserve Force Order 5320.1, “Inspector-Instructor Staff Integration,” April 20, 1998, defines the mission of the I&I’s assigned to Marine Force Reserve Units: “To serve as the bridge between the regular and reserve components of the total force Marine Corps; to provide daily administrative, logistical, technical, instructional, and operational support to Marine Forces Reserve units; to assist unit commanders in the accomplishment of all command functions, mission essential tasks and Force Commander’s goals; to support commanders in attaining and maintaining operational excellence prescribed by regulations and the state of readiness required for immediate mobilization; and to fight alongside their reserve counterparts when the unit is mobilized” (pp. 2–3).

33 John M. Halliday, David Oaks, and Jerry M. Sollinger, “Breaking the Mold: A New Paradigm for the Reserve Components,” Rand Issue Paper IP-190, 2000, p. 2.

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assigned as I&Is at the battalion or squadron level are selected by the active duty command screening process to ensure that “the best possible” leaders are chosen for this duty.<sup>34</sup> This procedure not only demonstrates the emphasis placed by the Marine Corps on providing active component support to their reserve component but also ensures that experience with the reserves flows back to the active component, in officers who are likely to be successful in future promotions. The Marine Corps I&I program is not considered a dead end for those assigned to it.

In addition, I&I staffs are integrated into the mobilization structure of the Marine Corps Reserve. Such integration ensures that active component marines supporting the reserve have a great stake in how well prepared their unit is for combat and encourages a “train like we fight” mentality.

As Commandant of the Marine Corps, General J. L. Jones embraced the total force concept: in 2000 he made reserve integration one of eight Marine Corps “core competencies” in the foundational document “Marine Corps Strategy 21.”<sup>35</sup> This corporate emphasis on the total force cannot be found in the corresponding strategy or policy documents in the U.S. Army. A similar commitment from senior leadership to the integration of active and reserve components would be an important first step in breaking down cultural and structural barriers that have impeded the Army’s progress in this area.

The Air Force has experimented with integrated forces since 1968; at that time, Air Force Reserve associate units and active units assigned to Military Airlift Command began working in conjunction.<sup>36</sup> To further the integration efforts, at the end of the 1997 Quadrennial Defense Review senior Air Force leaders created the Air Force’s Future Total Force (FTF) concept; its stated goals were to “maximize strengths, keep everyone relevant, demonstrate teamwork, and save money.”<sup>37</sup> The successes of the Air Force’s FTF test cases have generated nearly 50 new Total Air Force proposals that will bring together increasing numbers of active, Guard, and reserve personnel, often for new missions. In 2005 the Air Force established the Total Force Integration directorate to focus on combined force structure, basing, and organizational issues. In addition, according to Major General Charles Ickes, then acting Director of the Air National Guard, “the air and space expeditionary force (AEF) system ‘totally operationalized the Air Guard,’ . . . and destroyed any vestige of a ‘flying club’ mentality that may have existed in the past.”<sup>38</sup>

Vice Admiral Cotton, Chief of Navy Reserve, who is critical of the Navy’s cultural past, has made significant progress in building what he calls the “culture of the future.” He observes, “We have a lot of baggage in the Navy. ‘Reservist’ is kind of a two-letter word, which is to say there’s always something in front of the word ‘reservist.’ The challenge is to change that perception. We’ve got some internal culture to work out. That’s all part of continuing education, not only of our capabilities, but also of the Navy and what we can do. There are lots of culture problems in the Navy, about attitudes toward reservists.”<sup>39</sup> The Navy began to consider cultural barriers seriously following the service’s “zero-based,” or top-to-bottom, review in 2002. It laid the groundwork for a more integrated total force, as the Navy looked at all the required reserve capabilities. Separate structures

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34 Marine Corps Order 1300.4A, “Command Screening Program,” June 23, 2004.

35 Department of the Navy, Headquarters United States Marine Corps, “Marine Corps Strategy 21,” November 3, 2000, p. 2.

36 Hebert, “The Totally Integrated Air Force.”

37 Buckman, “Making the Future Total Force Work,” p. 1.

38 Hebert, “The Totally Integrated Air Force.”

39 “Interview: Vice Admiral John Cotton, USN,” by Commander Michael Collins, USN, *The Navy Institute: Proceedings* 131, no. 6 (June 2004): 25.

have been removed, and the active force now has control over reserve forces.<sup>40</sup> According to Vice Admiral Cotton, the most far-reaching change is in unified planning. “There are no Naval Reserve requirements, there are only Navy requirements,” Cotton said. “For the first time, reservists become part of the program, rather than an addition at the end; we actually get built into the system. . . . The average reservist now doesn’t do weekends. The average reservist now supports what I call supportive commands whenever they can.”<sup>41</sup>

Maritime integration may well have been first undertaken by Coast Guard Commandant Admiral Robert Kramek, who created “Team Coast Guard” on August 12, 1994.<sup>42</sup> Forces were combined as the reserves were integrated into the operational missions and administrative processes of the active Coast Guard, effectively eliminating all differences between the two service components. Rand Corporation analysts noted that “continuous 24/7 schedules, job-sharing, operational output, aggregated effort, common employment schedules, geographically proximate workforces, and a changeable identity allowed creation of a new culture around ‘Team Coast Guard.’”<sup>43</sup> As the Coast Guard itself explains, “Today, ‘Team Coast Guard’ refers to all those who serve the Coast Guard—from active duty officers and enlisted members to auxiliary members, reservists and civilians. Many also refer to the ‘Coast Guard Family,’ which encompasses Team Coast Guard, their spouses and dependents, and the retiree community.”<sup>44</sup>

In an article in the March 2005 issue of *Army Magazine*, Colonel Jeffrey A. Jacobs of the 354th Civil Affairs Brigade wrote that “cultural difference [between the active component and the reserve component] is more common than not” and suggested that “geography limits the Army Reserve’s ability to provide diverse operational assignments, a pillar of the Army’s leader development paradigm, to its leaders.” Jacobs proposed that “[t]he Army Reserve reimburse key leaders to travel to their units. Paying leaders to travel would allow the Army Reserve to select the best qualified leaders—including general officers—and then slate them to units, as does the AC.”<sup>45</sup>

Despite these efforts, cultural barriers continue to exist, sometimes even as a matter of law. For example, whereas only active component officers may serve as members of Boards of Inquiry (BOIs), which are convened to recommend administrative separation of a commissioned active officer, no similar restriction affects the membership of such boards convened to recommend administrative separation of a reserve officer.<sup>46</sup> Thus a reserve officer qualified to convene a court-martial of, report on the performance of, or command an active component officer in combat is deemed unqualified to recommend his or her separation. This statutory distinction—an official vestige of the cultural prejudice against the reserve component among active component personnel—remains.

Even symbolic differences that separate active and reserve component individuals, such as reserve titles and unit designations, can play a role in maintaining cultural barriers within the services. The letter “R,” standing for “reserve,” is used to create a distinction between active and reserve components, but no letter “A” is used, for example, to designate the U.S. Army active component. Thus

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40 “Support to the Fleet . . . Ready and Fully Integrated,” Navy.mil, January 13, 2004 ([www.navy.mil/search/display.asp?story\\_id=11289](http://www.navy.mil/search/display.asp?story_id=11289)).

41 Vice Admiral Cotton, quoted in Burgess, “Navy Cracking Glass Wall Between Reserve, Active Forces,” p. 1.

42 “People,” U.S. Coast Guard: Fact File ([www.uscg.mil/hq/g-cp/comrel/factfile/factcards/people.html](http://www.uscg.mil/hq/g-cp/comrel/factfile/factcards/people.html)).

43 Harry J. Thie, Roland J. Yardley, Peter Schirmer, Rudolph H. Ehrenberg, and Penelope Speed, *Factors to Consider in Blending Active and Reserve Manpower Within Military Units*, MG-527-OSD (Santa Monica, CA: Rand, 2007), p. xv.

44 “People,” U.S. Coast Guard: Fact File.

45 Colonel Jacobs, “Transforming Army Reserve Senior Leadership: A Matter of Cultural Change,” *Army Magazine*, March 2005 ([www.ousa.org/webpub/DeptArmyMagazine.nsf/byid/KRRG-6CUQGJ](http://www.ousa.org/webpub/DeptArmyMagazine.nsf/byid/KRRG-6CUQGJ)).

46 10 U.S.C. §1187.

the Army Reserve is called the U.S. Army Reserve, but the active Army is called the U.S. Army, not the U.S. Army Active.

## Transforming to a Shared Culture

Much needs to be done to achieve an integrated force, including substantial modification of existing cultures and attitudes to create a new, shared culture and identity. A transformation is required in the military to realize a “seamless” military, one that is fully interdependent, encourages constant interaction, and represents a true partnership between the components.

When the Department of Homeland Security was initially formed, the General Accounting Office brought together representatives of leading public and private organizations to assist DHS in the merger of more than 20 large-scale government entities. The forum determined that “for organizations to successfully transform themselves they must often fundamentally change their culture.”<sup>47</sup> A number of key practices have consistently been found at the center of successful mergers, acquisitions, and transformations that the services should consider as part of this transformation effort. Among those best practices named by GAO were “(1) Ensure top leadership drives the transformation. (2) Establish . . . strategic goals to guide the transformation. (3) Focus on a key set of principles and priorities[.] . . . (4) Set implementation goals and a timeline[.] . . . (5) Dedicate an implementation team to manage the transformation process. (6) . . . [D]efine responsibility and assure accountability for change. (7) Establish a communication strategy.” In addition, it noted that transforming a federal organization is even more difficult than the equivalent undertaking in the private sector.<sup>48</sup>

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Though there have been efforts at the highest levels to bridge the cultural and structural divide . . . [it] persists, to the detriment both of components and of the overall military mission.

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Among the experts assisting DHS, there was widespread agreement that strong, inspirational leadership is indispensable if transformation is to be achieved. Leadership must set the direction, pace, and tone, providing a clear, consistent rationale that unifies the previously separate components behind a single mission. The transformation process necessarily entails fundamental change, and the attention of top leadership is essential to overcome the organization’s natural resistance to change. Consistent and sustained leadership keeps the process on course and can smooth over the differences in management style among the components that are brought together into an integrated organization.<sup>49</sup>

Though there have been efforts at the highest levels to bridge the cultural and structural divide between the active component and the reserve component, and though improvements have been realized in some of the services, the divide persists, to the detriment both of components and of the overall military mission.

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47 GAO, “Highlights of a GAO Forum: Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies,” GAO-03-293SP (By the Comptroller General of the United States), November 2002, Highlights (n.p.).

48 GAO, “Highlights of a GAO Forum: Mergers and Transformation,” p. 2.

49 GAO, “Highlights of a GAO Roundtable: The Chief Operating Officer Concept: A Potential Strategy to Address Federal Governance Challenges,” GAO-03-192SP (By the Comptroller General of the United States), October 2002; GAO, “The Chief Operating Officer Concept and Its Potential Use as a Strategy to Improve Management at the Department of Homeland Security,” GAO-04-876R (By the Comptroller General of the United States), June 28, 2004.



**Recommendations:**

81. While differences will persist, the Secretary of Defense should recognize the cultural divide that exists between the reserve component and the active component, and should develop a new Total Force Integration Policy to achieve the next level of integration among all components.
82. The service Secretaries should ensure that active component officers are encouraged to serve in reserve component units and that such service is considered favorably when determining who is most qualified for promotion.
83. Reserve component officers and senior enlisted personnel should be selected for leadership positions in reserve component units without geographic restrictions. As proposed in Recommendation #53, reserve training travel allowances should be modified to eliminate fiscal obstacles to implementing this policy.
84. All vestiges of the cultural prejudice existing between reserve and active component personnel that remain in law and policy should be removed. In particular, Congress should modify section 1187 of Title 10 to allow reserve officers to serve on Boards of Inquiry for active component officers.
85. Reserve designations should be removed from all titles, signature blocks, and unit designators.

## **B. TRANSFORMING RESERVE COMPONENT CATEGORIES**

To carry out our mandate, the Commission reviewed the current system of reserve component categories (RCCs) to evaluate whether they provide the best structure for managing a reserve force that both is operational and maintains a strategic ability to surge and rapidly expand the armed forces in times of national emergency or major war. The Commission also examined whether the current categories facilitate the implementation of a true continuum of service, with service members moving smoothly and efficiently along a spectrum from full-time duty to minimal active duty obligation, based on the needs of the services and on individual willingness to accept training time and activations.

The Commission examined the totality of the manpower pool, from those currently serving, both active and reserve, on whom the nation relies heavily for current operations to the population of untrained individuals registered in the Selective Service System who may be called on if a great national emergency should necessitate reinstitution of a national draft. Between these two groups is a large number of individuals with extensive military training who have left active service, are unaffiliated with a reserve unit, or are retired, to whom DOD devotes little time or effort to manage their potential use in current or future conflicts. The service of every portion of this spectrum may be required to meet the threats we face as a nation. What is needed is a structure that manages these groups based on the frequency of planned employment, preserves investments in and ensures access to pretrained military personnel, and allows the military personnel in these categories appropriate opportunities to serve through a continuum of service model.

The current wars in Iraq and Afghanistan have challenged our military's ability to provide the capabilities required for a long fight overseas. As was pointed out in Chapter I, the prolonged high operational tempo currently faced is not sustainable and is causing harm, requiring extraordinary efforts to maintain recruiting and retention, and eroding readiness to levels that will take many years to repair. The all-volunteer force, which was not designed for a protracted military conflict, is under considerable strain. Attempts to mitigate these deleterious effects have not been successful.

## REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

We have discussed new Department of Defense policies to limit deployment lengths and increase the time between deployments for both active and reserve components, and we have noted that under current wartime requirements, the promising goals set by those policies are not attainable.

Another attempt to relieve the stresses on U.S. forces in the current demanding wars has been the increase of active component end strengths in the Army and Marine Corps. These increases are not planned to be completed until 2012 and will be very expensive (costing at least \$108 billion between 2007 and 2013, according to the Congressional Budget Office).<sup>50</sup> In addition, the Army has not fully budgeted for the costs of this buildup of their active force.<sup>51</sup> By the time the buildups are completed, the requirements for Iraq and Afghanistan will have changed and other requirements will have emerged; it seems likely, though no one can be certain, that total requirements for military manpower will be reduced from the wartime highs on which these costly increases are based. Yet the bills for this rise in full-time manpower will have to be paid for years (reducing full-time end strength is also a costly endeavor, as the post-Cold War drawdowns of the 1990s demonstrated). These increases are going forward as the nation continues to pay for pretrained manpower that is resident in the Individual Ready Reserve and in the population of regular and reserve retirees—pools that relatively little effort has been made to manage and to tap.

The uncertain security environment ahead and the challenging fiscal realities faced by our government make obvious the necessity for more cost-effective, flexible sources of manpower that can be efficiently increased in times of need and reduced in a way that economically preserves capability when requirements diminish. To meet these criteria effectively, the manpower pool must be organized to facilitate the required flexibility and ensure that resources can be focused where they are needed with desirable returns on investment.

The answer to this difficult problem clearly lies in the reserve components, employed operationally at costs on par with the active components yet capable of being maintained at much lower expense when requirements allow for a reduced operational tempo. Employing the reserves in this fashion has proven necessary and effective since Operation Desert Storm, and they in fact have been relied on in every major military operation since then. Yet the structural foundations of reserve component organization have been changed little to facilitate this employment. In a more logical reorganized structure, the reserve components would be categorized on the basis of operational use of units and individuals; on their relative levels of readiness requirements, obligation, and willingness to serve; and on the training, equipping, and management efforts required (with appropriate resourcing in each case) to maintain desired readiness levels. They should be viewed along a spectrum that includes the active components, the pool of Selective Service System registrants, and retired personnel—who are experienced and pretrained; and members of every category should be included and effectively managed within this total force spectrum. Such a taxonomy for the force would foster decisive policymaking based on real-time needs and promote the use of manpower heretofore untapped.

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50 CBO, "Estimated Cost of the Administration's Proposal to Increase the Army's and the Marine Corps's Personnel Levels," April 16, 2007, p. 1.

51 Army Deputy Chief of Staff, G-8, and Air Force Deputy Chief of Staff, A-8, briefings to the Commission, May 15, 2007.

## Background on Current Reserve Component Categories

Today's reserve component categories, implemented by the Armed Forces Reserve Act of 1952, were designed to provide a strategic force that would be required only for a major war, in a scenario that envisioned time for training before deployment and therefore allowed the force to be maintained at reduced levels of readiness. Throughout the Cold War the reserves were viewed as a "force of last resort,"<sup>52</sup> to be called on solely in the event of a major war or other national emergency. These categories are not best suited to meet today's need for a pool that can provide operational forces for a continued effort while still maintaining strategic depth that can be drawn on if exigencies require the rapid expansion of our armed forces.

Some will argue that the current categories are good enough and should not be modified. In June 2007, when the service personnel chiefs testified before the Commission, all but one agreed that the current structure of the reserve component categories should be changed. Lieutenant General Roger A. Brady, Deputy Chief of Staff for Manpower and Personnel, U.S. Air Force, was the lone dissenter. His answer to our question on the need for reform was "They can still work."<sup>53</sup> We will point out some of the problems inherent in these categories, especially those that arise when they must support the operational employment of reserve forces. The herculean efforts of service leaders such as Lieutenant General Brady, who have made them work despite their obsolescence, should not be

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We believe that "good enough" is not good enough in the case of the basic framework that organizes all our reserve component forces.

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used to justify the status quo. We believe that "good enough" is not good enough in the case of the basic framework that organizes all our reserve component forces.

The Armed Forces Reserve Act of 1952 restructured the reserves into today's seven components and established the statutory underpinnings for the three existing categories of the reserves: the Ready Reserve, the Standby Reserve, and the Retired Reserve.<sup>54</sup> The three principal categories, as codified in 10 U.S.C. §10141(a), are divided into a number of subcategories, as shown in Figure VI.1 and described below.



General Jones at October 2006 hearing.

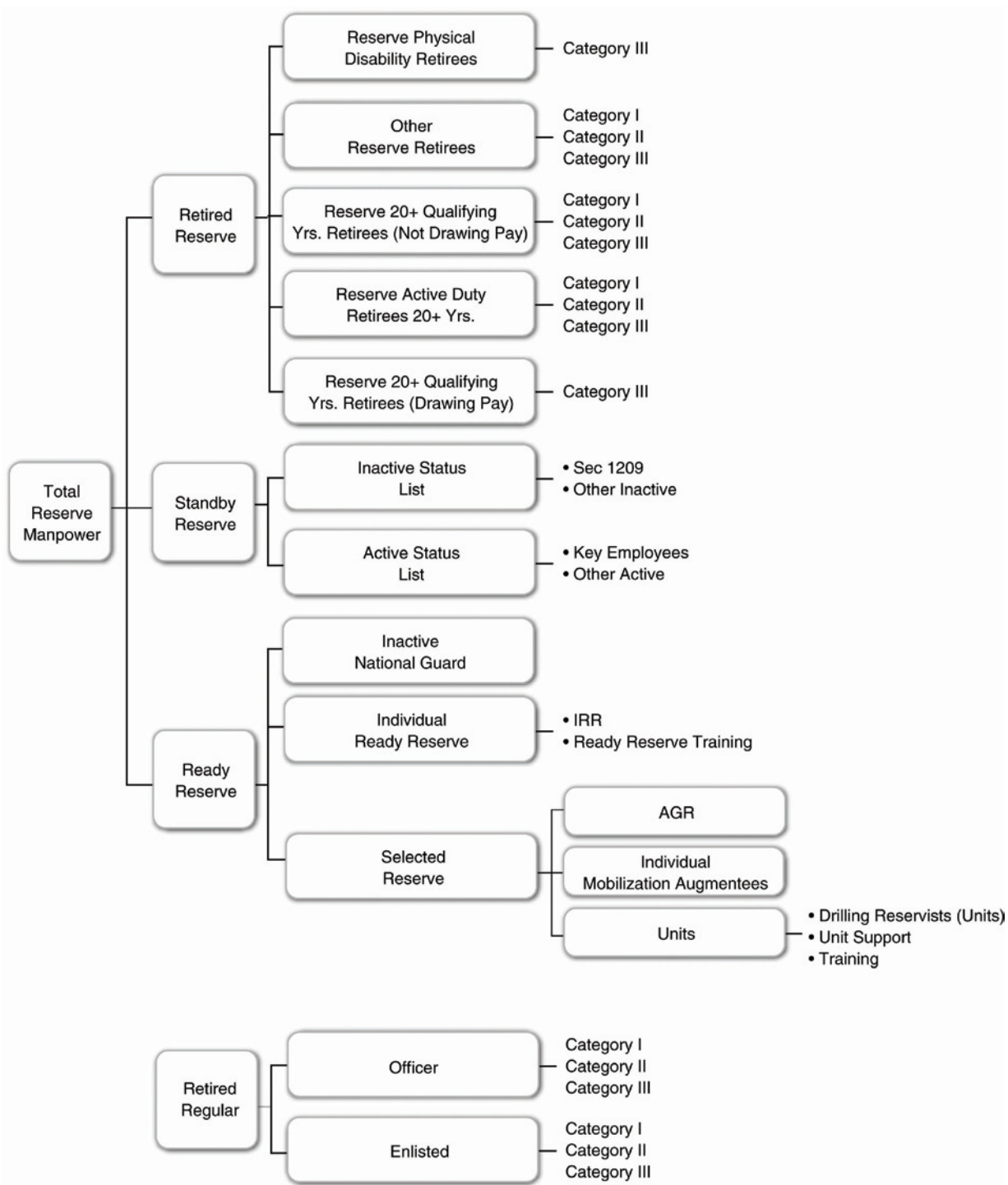
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52 Christine E. Wormuth, Michèle A. Flournoy, Patrick T. Henry, and Clark A. Murdock, *The Future of the National Guard and Reserves: The Beyond Goldwater-Nichols Phase III Report* (Washington, DC: Center for Strategic and International Studies, 2006), p. xv.

53 Lieutenant General Brady, testimony before the CNGR, Hearing on Integrated Active and Reserve Force Management—Impact of Reserve Component Personnel, Compensation Policies, transcript of June 21, 2007, hearing ([www.cngr.gov/June%2019-21/0621cngr-panel3.pdf](http://www.cngr.gov/June%2019-21/0621cngr-panel3.pdf)), p. 30.

54 10 U.S.C. §10141.

# REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE



Source: *Reserve Component Categories of the Armed Forces*, rev. ed. (Washington, DC: Office of the Assistant Secretary of Defense for Reserve Affairs, 2005), figure 9, p. 18.

**Figure VI.1. Current Reserve Component Categories**

The **Ready Reserve (2005 total: 1.1 million)**<sup>55</sup> is composed of individuals and units subject to recall to active duty in times of war or national emergency.<sup>56</sup> The Ready Reserve is subdivided into the Selected Reserve, the Individual Ready Reserve (IRR), and the Inactive National Guard (ING). The authorized strength of the Ready Reserve is 2.9 million people,<sup>57</sup> nearly three times its actual size today.

The *Selected Reserve (2005 total: 829,005)*<sup>58</sup> consists of those units and individuals within the Ready Reserve designated as essential to initial wartime missions, giving them priority over all other reserves. Without declaring a national emergency, the President is empowered to order up to 200,000 of the Selected Reserve to active duty for any operational mission for a maximum of 365 days.<sup>59</sup>

These are the forces from which the nation has primarily drawn to form today's operational reserve. These units and individuals must be maintained at a higher readiness and resourced at levels that ensure that their continued operational use causes no harm. Members of this category must be provided with sufficient compensation and benefits to induce their continuing voluntary participation, despite the additional burdens it entails. The Commission believes that to manage this portion of the force effectively, it is necessary to create a unique category, the Operational Reserve Force, to which special policies and resourcing strategies can be tailored. Making a greater investment of resources and effort in the most used portion of the force—and including in that category only those portions of the force that are most frequently needed—will reap increased returns. We recognize that some would argue for assigning just a portion of today's Selected Reserve to the operational force. We believe, however, that the current operational tempo and commitments of the reserve components justify inclusion of the entire Selected Reserve at this time. When operational demands for reserve component units and personnel are reduced, and when units required to be ready without notice for urgent homeland missions are clearly identified, then units should be evaluated for possible recategorization to portions of the force that may be allowed to be maintained at lower readiness levels.

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The Commission believes . . . it is necessary to create a unique category, the Operational Reserve Force, to which special policies and resourcing strategies can be tailored.

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The *Individual Ready Reserve (2005 total: 282,917)*<sup>60</sup> is made up mainly of individuals who have had training, who have served previously in the active component or Selected Reserve, and who have some time left in their military service obligation (MSO).<sup>61</sup> This initial obligation for each person who becomes a member of the armed forces is eight years. If for example the person serves on active duty for four years, then he or she must serve the remainder of the MSO as either a member of the Ready Reserve or a member of

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55 *Official Guard and Reserve Manpower Strengths and Statistics, Fiscal Year 2005 Summary* ([Washington, DC: Office of the Assistant Secretary of Defense for Reserve Affairs], 2005), p. 2-007.

56 10 U.S.C. §§12301(a), 12302.

57 10 U.S.C. §10142(b).

58 *Official Guard and Reserve Manpower Strengths and Statistics, 2005*, p. 2-001.

59 10 U.S.C. §12304.

60 *Official Guard and Reserve Manpower Strengths and Statistics, 2005*, p. 2-006.

61 *Reserve Component Categories of the Armed Forces*, rev. ed. (Washington, DC: Office of the Assistant Secretary of Defense for Reserve Affairs, 2005), p. 9.



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the Individual Ready Reserve.<sup>62</sup> The services are required to conduct “continuous screening” of all members of the Ready Reserve (including the IRR) to make certain that only personnel viable for involuntary mobilization are retained and to prevent “significant attrition . . . during mobilization.”<sup>63</sup> Although IRR members are contractually obligated to participate and comply with muster and screening requirements, the services, with the exception of the Marine Corps, have not made an effective effort to maintain a screening program as mandated by statute. In addition, DOD policies that restrict their use have made it difficult to draw on IRR members to fill mobilization requirements.

The *Inactive National Guard* (2005 total: 1,505)<sup>64</sup> “consists of National Guard personnel . . . attached to a specific National Guard unit,” who are in an inactive status in the Ready Reserve. ING personnel are required to “muster once a year with their assigned units.”<sup>65</sup>

The use of the IRR (and the ING) as a viable source of manpower for the current wars in Iraq and Afghanistan has been problematic.<sup>66</sup> In 2006, the Army reported that only 20 percent of its IRR population was considered “compliant” (able to be contacted for screening); of these, 33,385 had no valid address.<sup>67</sup> Less than 6 percent of the IRR population has been called up for these contingencies.<sup>68</sup>



Assistant Secretaries Hall and James  
at April 2007 hearing.

The average amount of time to get an IRR soldier on active duty is 120 days, and the administrative burden involved has led Army reserve managers to declare that “using IRR as a solution for unit manning is a failed concept.” They therefore recommended drawing on the IRR “only in the event of full mobilization, not partial mobilization.”<sup>69</sup>

The Commission believes that the IRR is a valuable source of manpower pretrained in valuable skills, many of which are critical for continuing today’s war efforts.<sup>70</sup> Members also have valuable and diverse civilian skills that could be catalogued and utilized as needed. Instead of abandoning the idea of using these people in whom sizable investments have been made, the Commission feels that they should be separated

into categories based on the viability of their training and on their obligation or willingness to serve.

62 Department of Defense Instruction 1304.25, “Fulfilling the Military Service Obligation,” August 2, 1997, p. 2; 10 U.S.C. §651.

63 10 U.S.C. §10149.

64 *Official Guard and Reserve Manpower Strengths and Statistics*, 2005, p. 2-006.

65 *Reserve Component Categories of the Armed Forces*, p. 11.

66 First Army Tiger Team brief, “DOD and DA Pre/Post Mob Policy Disconnects/Conflicts/Gaps,” September 20, 2007, p. 4.

67 2006 IRR Commanders Conference, “Army Overview Brief,” May 24, 2006, p. 9.

68 Data provided by the Office of the Deputy Assistant Secretary of Defense for Reserve Affairs (Manpower and Personnel), November 8, 2007.

69 First Army Tiger Team brief, “DOD and DA Pre/Post Mob Policy Disconnects/Conflicts/Gaps,” pp. 4, 5.

70 2006 IRR Commanders Conference, “Army Overview Brief,” p. 16. For example, this brief showed that of 1,887 trained engineers (a high-demand skill) in their IRR, 967 (more than 50 percent) had been off active duty for less than three years, but only 5 of them (about 0.2 percent) had been mobilized since 9/11.

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If sufficient resources are focused on those with the highest potential, the “failed concept” could become a useful source of manpower that would help alleviate current needs without the long-term costs associated with end strength increases.

The current Ready Reserve includes portions of the force that range from those required to be most ready under this new operational construct to individuals who in reality can be expected to be mobilized only for the most dire emergencies. Specifically, at these opposite ends of the readiness spectrum are, on the one hand, the units and individuals of the Selected Reserve and, on the other, large portions of the IRR. Selected Reserve individuals and units, which have been activated repeatedly during the recent wars and which, under the various service force generation models, will be used operationally in the future, should be placed in a category that reflects these characteristics and facilitates management policies and investment decisions based on these needs. Individuals with varying probabilities of being needed for near-term contingencies should be categorized according to their readiness and willingness to serve, as well as the likelihood of their being needed. Those with up-to-date training in required specialties and a current obligation or a willingness to serve merit more intense and targeted management than those whose skills have expired, who are no longer obligated, and who are not interested in returning to serve. Categorizing these individuals by the characteristics specified will prevent resources from being wasted on low priorities. It will also ease access to pretrained manpower, as recall policies (short of full mobilization) can be tailored precisely to those who are clearly identified and expected by all to be eligible.

The **Standby Reserve (2005 total: 22,773)**<sup>71</sup> is the second major subdivision within the total reserve manpower. This category consists of individuals who have been designated key civilian employees or who have a temporary hardship or disability. Individuals in the Standby Reserve are placed on either the Active or Inactive Status List. During a time of war or national emergency, Standby Reservists are eligible for mobilization in order to fill manpower deficiencies for the duration of the war or emergency and for six months thereafter. However, the basis for activation may not be involuntary unless the appropriate service Secretary, with the approval of the Secretary of Defense, determines that insufficient numbers of qualified reservists in the Ready Reserve or in the ING are quickly and easily available.<sup>72</sup>

In reality, this is a little-used pool of personnel. The great majority of this population (91 percent) are on the Inactive Status List.<sup>73</sup> They therefore are statutorily prohibited from participating in training for points or pay and are not eligible for promotion.<sup>74</sup> Most of the personnel who transfer to inactive status are key employees—those with civilian jobs that are important to our national wartime effort. This status is generally not short-term, because key employees remain unavailable for mobilization as long as they hold their job. It is unrealistic to count on these reservists for mobilization needs.

The **Retired Reserve (2005 total: 627,424)**<sup>75</sup> is the third principal subdivision within the total reserve manpower. This category comprises all reserve officers and enlisted personnel who are either collecting retirement pay on the basis of active duty or reserve service, or are eligible for retirement pay and have not reached the age of 60. All retired personnel who have served at least 20 years of active duty (regular or reserve) “may be ordered to active duty” whenever required, as determined

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71 *Official Guard and Reserve Manpower Strengths and Statistics, 2005*, pp. 2-008, 2-009.

72 10 U.S.C. §12306; *Reserve Component Categories of the Armed Forces*, p. 11.

73 *Official Guard and Reserve Manpower Strengths and Statistics, 2005*, pp. 2-008, 2-009.

74 10 U.S.C. §10153.

75 *Official Guard and Reserve Manpower Strengths and Statistics, 2005*, p. 2-358

## REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

by the service Secretary.<sup>76</sup> The Retired Reserve is further divided into five categories by reservists' age, length of time after retirement, and physical status.<sup>77</sup>

Although the **Retired Regulars (2005 total: 1,522,532)**,<sup>78</sup> the active component counterparts of the Retired Reserve, constitute 70.8 percent of the retired personnel available for recall, they are not considered part of the cumulative reserve manpower under current statutes. However, the mobilization process for Retired Regulars was standardized in 1983 by the Defense Officer Personnel Management Act (DOPMA).<sup>79</sup> They, like members of the Retired Reserve, are now subject to recall.

Total expenditures by DOD for both regular and reserve retirees in 2006 were more than \$41 billion.<sup>80</sup> In 2007 the Department of Defense adopted a policy of acknowledging and supporting retirees' interest in volunteerism.<sup>81</sup> As described above, the retired populations of our armed forces are managed in groups that are based on what component they have retired from, active or reserve, not on their ability to serve or their willingness to continue contributing their expertise to the national defense. The Commission believes that these two populations should be combined and managed as a separate manpower category because of their invaluable skills and experience as seasoned veterans. Our country pays them generously in recognition of their continuing obligation to serve when required, but has not taken advantage of those investments.<sup>82</sup> Further, these two pools also contain a large number of personnel who, because of disability or age, are no longer realistically considered viable assets for mobilization. The Commission believes that these individuals should also be transferred to a new category, the Permanently Retired List, which should not be considered part of the new reserve component categories.

The **Selective Service System**, though not a part of DOD, "exists to serve the emergency manpower needs of DOD with a draft of untrained manpower or a more limited draft of personnel with professional health care skills, if so directed by the Congress and the President." In this capacity, it registers more than 6,000 young men each day.<sup>83</sup> The requirement for every 18-year-old male to register for the draft provides many benefits to our nation. President Bill Clinton, in a communication to Congress, described the value of this system:

[Maintaining] both the [Selective Service System] and the draft registration requirement [provides] a hedge against unforeseen threats and a relatively low cost "insurance policy"

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... the retired populations of our armed forces are managed in groups that are based on what component they have retired from, ... not on their ability to serve or their willingness to continue contributing their expertise to the national defense.

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76 10 U.S.C. §688.

77 *Reserve Component Categories of the Armed Forces*, p. 15.

78 *Official Guard and Reserve Manpower Strengths and Statistics, 2005*, p. 2-358

79 Public Law 96-513, September 15, 1981; *Reserve Component Categories of the Armed Forces*, p. 16.

80 *Fiscal Year 2006: DOD Statistical Report on the Military Retirement System* ([Washington, DC]: DOD Office of the Actuary, 2007), p. 18.

81 Dr. David Chu, Under Secretary of Defense for Personnel and Readiness, "Revised Mobilization/Demobilization Personnel and Pay Policy for Reserve Component Members Ordered to Active Duty in Response to the World Trade Center and Pentagon Attacks," memorandum for service Secretaries, March 15, 2007, p. 7.

82 One of the purposes of providing pay and benefits to retired military personnel is to maintain "a pool of experienced military manpower that can be called upon in time of war or national emergency to augment the active-duty forces of the United States, and the establishment of a mechanism whereby persons in this pool can move into and out of the active-duty force smoothly" (*Military Compensation Background Papers*, 6th ed. [published under the auspices of the Under Secretary of Defense (Personnel and Readiness), May 2005], p. 682).

83 Selective Service System, "Budget Justification: Fiscal Year 2008," p. 2 ([www.sss.gov/PDFs/BudgJust-08.pdf](http://www.sss.gov/PDFs/BudgJust-08.pdf)).

against our underestimating the maximum level of threat we expect our Armed Forces to face. . . . [A]s fewer and fewer members of our society have direct military experience, it is increasingly important to maintain the link between the All Volunteer Force and our society at large. The Armed Forces must also know that the general population stands behind them, committed to serve, should the preservation of our national security so require.<sup>84</sup>

The Commission believes that this source of manpower also must be considered when policies and practices for managing the reserve portions of the total manpower pool are determined. The nature of the threats facing our nation, discussed in Chapter I, underscore the continuing need to preserve the option of a draft in the future. That planning process should boost awareness of the challenges inherent in reinstituting a draft, if Congress and the President determine one is needed, thereby highlighting the need to avoid having to invoke conscription in all but the most dire of circumstances by more carefully managing manpower pools already on hand, such as the pretrained reservists in today's Retired Reserve, IRR, and retired active duty populations. Plans and structures relating to reserve manpower must be coordinated with those associated with the Selective Service System to ensure smooth integration in the event of great national emergency.

**Finding:** The authorized strength of the Ready Reserve (2.9 million people) bears no relation to its actual size.

**Finding:** The Individual Ready Reserve and Inactive National Guard have been neither managed nor maintained in way to make its members a viable mobilization asset.

**Finding:** The Standby Reserve consists of only 22,773 reservists who, owing to their occupations, in fact cannot and will not be mobilized.

**Finding:** The Retired Reserve is not managed to be a real source of trained manpower. The nation pays active component retirees under the age of 60 retainer and retirement pay, and invests great resources in both its active and reserve retirees, but does not seek to tap these retirees' skills and experience. The 1.5 million active component retirees (called "regular" in statute for purposes of retirement) constitute more than 70 percent of the population of retired U.S. military personnel, yet they are not accounted for as a mobilization asset in the current reserve component categories (RCCs).

**Finding:** In general, the services have neglected all but the Selected Reserve subcategory in resourcing policies and efforts at management.

**Finding:** The Selective Service System, and the possible need to reinstitute the draft, must be considered when planning the management of the total force manpower pool.

## The RCCs, Management, and Security

The present categories divide the reserve components on the basis of their accessibility for a full mobilization. The Ready Reserve, consisting entirely of units and individuals who could be mobilized when a full mobilization is declared, would all be readily accessible but also would require substan-

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84 Communication from the President of the United States, transmitting notice relative to the Selective Service System to the Senate Committee on the Armed Services, May 18, 1994; quoted in Statement by the Press Secretary, The White House, May 18, 1994 (<http://clinton6.nara.gov/1994/05/1994-05-18-statement-on-maintaining-selective-service-system.html>).



tial post-mobilization training before being sent to augment the active component forces in combat. The Standby Reserve, if not completely exempted because of personal hardship, would be largely unavailable without extraordinary coordination between department Secretaries. The Retired Reserve, consisting of personnel whose accessibility varies with their age and disabilities, warranted separate management. What were logical divisions for a Cold War model, in which the most critical wartime scenario envisioned full mobilization of almost the entire force, do not work efficiently for a force that must still provide the strategic depth needed for a major war requiring a full mobilization while also making available some of its members for continuous operational duties. Such a force should be categorized and managed according to the degree of participation required of individuals (from zero to 365 days per year) and the requisite readiness level, which would be higher for the operational force.

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What were logical divisions for a Cold War model . . . do not work efficiently for a force that must still provide the strategic depth needed for a major war requiring a full mobilization while also making available some of its members for continuous operational duties.

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**Finding:** The RCCs were designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union. They neither optimally support the rotational use of the reserve components over a prolonged period nor reflect the strategic depth that the reserve components must still provide.

## Ties Between RCCs and Mobilization Statutes

Members of the reserve component are subject to mobilization under Title 10 of the United States Code, with the nature of their availability for mobilization tied to their reserve component category (not their reserve component). Pursuant to the Presidential Reserve Call-up (PRC) authority, the President may activate 200,000 Selected Reservists (including no more than 30,000 Individual Ready Reserve members) for 365 days.<sup>85</sup> Pursuant to the partial mobilization statute, the President may activate one million Ready Reservists for a period no longer than 24 months.<sup>86</sup> Finally, a full mobilization requires congressional approval and subjects the entire reserve force to involuntary activation.<sup>87</sup>

The reserve components today remain organized into categories that reflect the preoccupation with the “big war” threat that grew out of the Cold War era. However, the unconventional threats confronting the nation today are fundamentally different than those faced a generation ago, as is the planned employment of the reserve components. Current scenarios call for the activation of reserve units and individuals for operations along a spectrum from planned rotations in times of peace through the full mobilization that will be required in the event of a major war.<sup>88</sup> The share of the force participating will grow as the situation escalates; yet under the current RCCs, the majority of the force used for any level of contingency is resident in one main category, the Ready Reserve.

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85 10 U.S.C. §12304. The maximum length of involuntary activation under this authority was increased from 270 to 365 days in section 522 of Public Law 109-364, *National Defense Authorization Act for Fiscal Year 2007*, October 17, 2006.

86 10 U.S.C. §12302.

87 10 U.S.C. §12301(a).

88 Wormuth et al., *The Future of the National Guard and Reserves*, p. 9.



**Finding:** The existing RCCs are not meaningfully tied to mobilization statutes, in that the three major categories—Ready Reserve, Standby Reserve, and Retired Reserve—do not reflect readiness for mobilization, their use on a predictable rotational basis, or their priority for resourcing.

## The RCCs and the Continuum of Service

In a 2003 memorandum titled “Rebalancing Forces,” Secretary of Defense Rumsfeld directed the armed forces “to promote judicious and prudent use of the Reserve components,” and instructed the services to implement rebalancing initiatives in order to create a total force—a unified military integrating the active and reserve components—that is responsive to today’s high operational tempo.<sup>89</sup> The *continuum of service* model was articulated in the Office of the Assistant Secretary of Defense for Reserve Affairs report titled *Rebalancing Forces: Easing Stress on the Guard and Reserve*.<sup>90</sup> The model begins to address how to resolve the tensions that necessarily arise when a strategic reserve is employed operationally for extended periods of time.

One of the principal objectives emphasized in a 2007 briefing prepared by the Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA) was the need to “develop sustainable rotation policies for the long term.”<sup>91</sup> Today’s high operational tempo and uncertain security environment demand a flexible reserve organization that can provide the active component with support ranging from full-time operational capabilities to strategic reinforcement in the event of a major war or national emergency. It also requires an organization that can provide continuous operational support to the active component in the absence of a mobilization authority.<sup>92</sup> The continuum of service model (presented in Figure VI.2) places the service of military personnel along a spectrum, extending from full-time duty to limited commitment with availability in the event of mobilization. Between those two extremes is a pool of individuals who may participate in varying levels of service throughout their careers, moving along the continuum as circumstances in their lives change or as the needs of the Department evolve.

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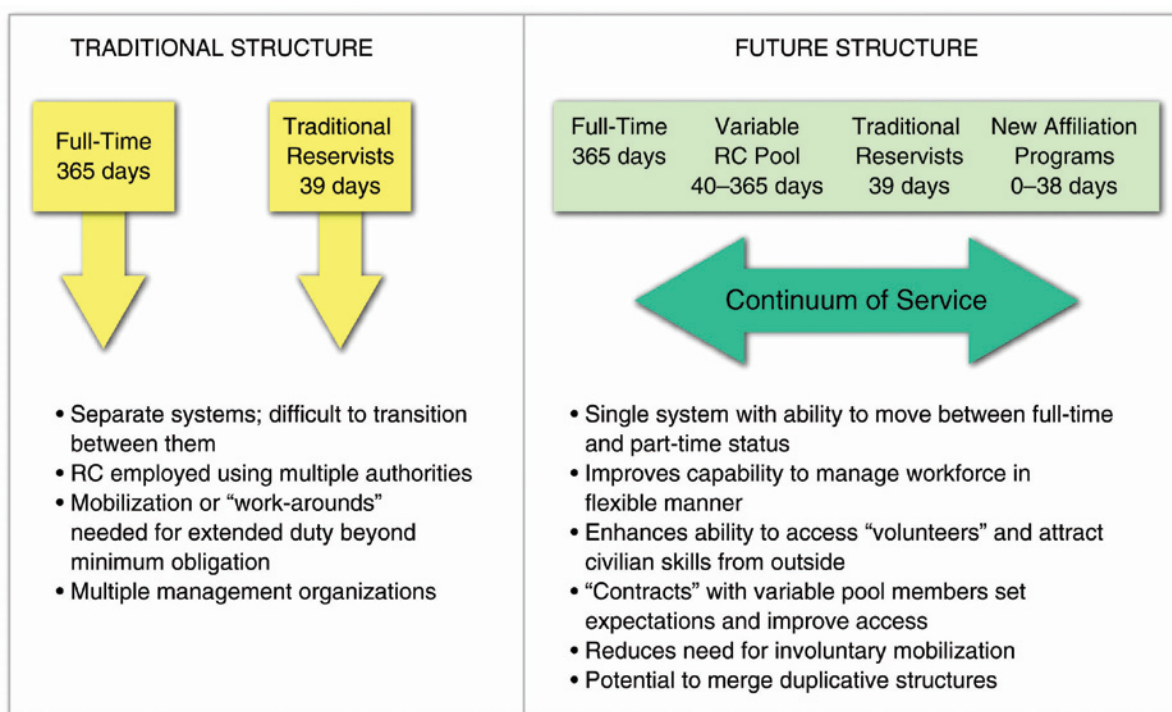
89 Secretary of Defense Donald Rumsfeld, “Rebalancing Forces,” memorandum for Secretaries of the Military Departments, Chairman of the Joint Chiefs of Staff and the Under Secretaries of Defense, July 9, 2003; on Web site of the Assistants to the Chairman for National Guard and Reserve Matters (<https://ca.dtic.mil/jcs/ngrm/tfp/SecRumsfeld-MemoonRebal.pdf>).

90 *Rebalancing Forces: Easing the Stress on the Guard and Reserve* ([Washington, DC: Office of the Assistant Secretary of Defense for Reserve Affairs (Readiness Training, and Mobilization)], 2004), pp. 18–19. For a more detailed discussion of the continuum of service, see Chapter III.

91 OASD-RA, “Information Briefing,” June 26, 2007, slide 12 ([www.defenselink.mil/ra/documents/Reserve%20Affairs%20101.pdf](http://www.defenselink.mil/ra/documents/Reserve%20Affairs%20101.pdf)).

92 See *Rebalancing Forces*, p. 18.

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Source: *Rebalancing Forces: Easing the Stress on the Guard and Reserve* ([Washington, DC: Office of the Assistant Secretary of Defense for Reserve Affairs], 2004), p. 18.

**Figure VI.2. A Continuum of Service Structure for the Active and Reserve Components**

The current reserve component categories do not give institutional support to this model. Again, almost all of the reservists who participate at all are lumped into one category, without regard to their level of commitment. This single major category contains the entire continuum of service. Restructuring the RCCs in a way specifically designed to accommodate reservists whose “service may range from full-time [operational] duty to availability in the event of mobilization without [regular] participation in military training”<sup>93</sup> would complement the total force vision laid out by the Department of Defense more than 30 years ago. Creating new categories to cover possibilities from full-time active duty on a one-year-out-of-six rotational basis (Operational Reserve) to availability only in the event of mobilization (Strategic Reserve) would provide a better framework for achieving OASD-RA’s policy objectives to “develop sustainable rotation policies for the long term,”<sup>94</sup> as well as ensuring that the DOD’s “organizational structures . . . support its strategic direction.”<sup>95</sup>

A true continuum of service must allow not only for movement of reserve members from category to category, and along a spectrum of varying levels of training commitments and activations, but also for movement between active and reserve components. This ease of interchange will afford the services greater flexibility in managing the size of their full-time force as requirements fluctuate and will enable them to maintain access to personnel with vital skills and training. Today, such personnel

93 *Rebalancing Forces*, p. 18.

94 OASD-RA, “Information Briefing,” June 26, 2007, slide 12.

95 *Quadrennial Defense Review Report* ([Washington, DC: Department of Defense], 2006), p. 1.

and their families are often faced with circumstances outside their military career that compel them to dissolve their ties with their service. A true continuum of service would allow them choices along a range of alternatives so that they can maintain their military affiliation while they resolve those situations. In addition, the current reserve component categories, managed in a structure that is isolated from the active components of the total force, do not support options at the full-time end of the spectrum.

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The current reserve  
component categories  
... should be totally  
restructured.

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**Finding:** The concept of RCCs as a separate manpower pool, in isolation from the full-time active component manpower pool, does not support integration of the components or a true continuum of service. A true continuum of service would allow for the smooth and efficient movement of personnel along a spectrum from full-time duty to minimal active duty obligation, based on the needs of the services and individual willingness to accept training time and activations.

The current reserve component categories are not well-suited for the roles and projected employment of the operational reserve and should be totally restructured. They do not provide a useful framework for prioritizing resources, access, and readiness; they are not tied to mobilization statutes or peacetime operational use; and they do not support the continuum of service model. Moreover, approximately 70 percent of the highly trained military retired population is excluded from the current categories.

**Recommendations:**

86. The current reserve component categories should be reorganized. The total force manpower pool should be viewed as consisting of the full-time active components and the reserve components, which should be divided into two categories that support integration, a continuum of service, the operational use of the reserve force, and continuing strategic depth and the ability to surge when required. DOD and the services should effectively manage and resource both of the categories.
  - a. The two major divisions that should be established are
    - The Operational Reserve Force, which will consist of present-day Selected Reserve units and individual mobilization augmentees and will periodically serve active duty tours in rotation supporting the total force.
    - The Strategic Reserve Force, which will consist of two subdivisions:
      - The Strategic Ready Reserve Force, consisting of current Selected Reserve units and individuals who are not scheduled for rotational tours of active duty as well as the most ready, operationally current, and willing members of today's Individual Ready Reserve and retired service members (regular and reserve), managed to be readily accessible in a national emergency or incentivized to volunteer for service with the operational reserve or active component when required.

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- The Strategic Standby Reserve, consisting of those current Individual Ready Reservists and retired service members (regular and reserve) who are unlikely to be called on except in the most dire circumstances yet who still constitute a valuable pool of pretrained manpower worth tracking and managing.
  - b. Today's Standby Reserve category should be eliminated and its members that are not viable mobilization assets should be excluded from the total reserve force; those that are temporarily unavailable for mobilization should be maintained in the Strategic Reserve together with others unlikely to be called to service except in the case of full mobilization.
  - c. DOD and service leaders, in consultation with the Chairman of the Joint Chiefs of Staff and combatant commanders, must carefully determine which portions of each reserve component's current Selected Reserve should be placed in the Operational Reserve Force and which should be placed in the Strategic Reserve Force. These decisions must be based on requirements for units in rotation in constructs such as the Army Force Generation Model, the Marine Corps Total Force Generation model, and the Air Force Air and Space Expeditionary Force model. Requirements for homeland security and civil support capabilities must also be considered, and they may dictate that larger portions of the National Guard components be maintained in the Operational Reserve Force.
  - d. Each service must develop tools and incentives to manage each individual's movements between RCCs according to requirements for personnel, skills, and experience in active component and reserve component units and according to each individual's willingness and ability to serve. These tools must consist of both inducements for individuals to volunteer for service with operational forces when needed and the legal authority to enforce their compliance with contractual obligations.
87. Members of the current Individual Ready Reserve and all military retirees should be placed into either the Strategic Ready Reserve Force or the Strategic Standby Reserve—depending on their readiness and willingness to serve, and on the need for their skills—and both categories should be managed to take advantage of these individuals' vast experience, including for homeland-related missions.
88. Regular retired service members and retired reserve service members should be managed together in the same RCCs and encouraged both to volunteer and to maintain readiness for identified mobilization assignments.
89. Service Secretaries should be held accountable for resourcing and managing their total reserve manpower regardless of category in order to maintain, ready for activation, the optimal pool of personnel with required skills and experience. The Secretary of Defense should report annually to Congress on the status of both the Operational and Strategic Reserve Forces.
90. DOD should treat individuals registered with the Selective Service System as part of the total manpower pool available in the event of a national emergency, and should coordinate planning for the mobilization and training of those individuals with the Director of the Selective Service System.

## Explanation of Proposed New Categories

### *Providing Operational Reserve Forces and Strategic Depth*

These new reserve component categories will provide DOD and the services a framework for managing their reserve forces in a manner that can focus resources and effort where most needed. Units and individuals required for periodic rotational employment during peacetime, as well as those required to maintain high readiness for homeland security and civil support missions, will be kept in the Operational Reserve Force, where policy, resourcing, and management decisions can ensure that readiness for these missions is maintained. These units and personnel will also be the first on call, to be made ready rapidly and activated ahead of their scheduled cycle for an unplanned strategic response to national emergency, crisis, or war. Operational Reserve Force units activated ahead of schedule may require augmentation from individuals of the Strategic Reserve Force, who will be subject to involuntary activation under mobilization authorities for such contingencies. Units of the Strategic Reserve Force and other individuals in this category will also be subject to involuntary activation under mobilization authorities and will provide strategic depth to the services. The Strategic Reserve Force may be managed and resourced at readiness levels that economically but effectively maintain their ability to activate and deploy according to the timelines required for such emergencies. The Strategic Standby Reserve contains the last group of pretrained personnel available short of a national mobilization that would require instituting the draft. Resourcing and readiness requirements for those in this category may be minimal, to ensure their availability in the event of these unlikely scenarios.

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... new reserve component categories will provide DOD and the services a framework for managing their reserve forces.

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### *The Operational Reserve Force*

As shown in Figure VI.3, following the recommendations above, the Operational Reserve Force would be the force regularly employed to provide uninterrupted operational capabilities to the nation as forward-deployed units and as individuals in joint and service headquarters. These reservists would be the first to be called on when a national emergency or increasing threat levels dictated the need to expand the number of available forces. The Operational Reserve Force would have two subdivisions:

- **Operational Reserve Units:** Units employed cyclically to provide a continuous rotational force available for predictable overseas rotations and for short-notice homeland missions, including response to catastrophes. Initially, this category would include all of today's Selected Reserve units.
- **Operational Individual Augmentees:** Reservists filling full-time assignments on joint and service headquarters staffs on a rotational cycle. These individuals would serve in designated billets for one full rotation that would be analogous to the "normal" full-length tour of a full-time service member, gaining the same joint experience and other qualifications. Those serving in pre-activation years of the rotation cycle would accomplish required professional military education, receive on-the-job training, and gain experience to achieve a level of competence similar to that reached by a full-time service member in the last year of a three-year assignment.

When current demands fall, thereby reducing operational requirements, and when planning for the homeland has accurately identified what assets are not required to be ready on short notice, the Department may determine that some of the Operational Reserve units and individual augmentees should be shifted, as appropriate, to the Strategic Ready Reserve force, on the basis of readiness requirements. The Commission believes that current operational tempo and commitments of the



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reserve components warrant that all Selected Reserve units and individuals will be placed in the Operational Reserve category. Even units that may be considered strategic in nature, such as certain artillery units, have been called on to retrain and serve in roles to relieve stress on high-demand capabilities, such as military police. Also, reserve requirements for homeland missions may require that units with strategic capabilities for overseas missions be kept ready for response to disaster. For example, many artillery units, which may be needed only for large conventional wars, possess significant motor transportation capabilities whose readiness must be on par with that of deploying operational forces.

### *The Strategic Reserve Force*

The Strategic Reserve Force would include some units from today's Selected Reserve as well as Individual Ready Reserves and retired service members (both regular and reserve retirees). This force would be involuntarily activated as necessary during times of war or national emergency to augment the active component and operational reserves. In times of peace, its members would be managed and provided opportunities to perform voluntary active duty to keep their training and skills fresh. They also would serve as a pool of pretrained manpower on which the active component or operational reserve would draw when contingencies or unforeseen shortages in specific skills created additional requirements. Such shortages would be filled through voluntary activations, encouraged by their service Chief through bonuses or other incentives. Retirees would be maintained in this category on the basis of the utility of their skills, the currency of their experience, and their willingness to be called on when needed.

The Strategic Reserve Force would have two subdivisions. The **Strategic Ready Reserve Force** would consist of

- **Strategic Reserve Units:** Some units of today's Selected Reserve, placed in this category once current wartime demands have abated and homeland security and civil support plans have adequately identified homeland requirements. These units will train and be maintained at readiness as required to be capable of activation and deployment on timelines dictated by emergency and wartime scenarios. The Commission envisions annual training requirements similar to those of today's traditional "39-day" Selected Reserve units. This category should not be allowed to lie fallow, as happened to the Cold War strategic reserve.
- **Strategic Individual Reserves:** Personnel with prior military experience who have time left on their military service obligation and have recently left active or operational reserve status, or those who are no longer obligated but who have kept their military skills current by participating in training and duty activities. DOD would maintain an effective tracking system that keeps up-to-date records of these members' location, physical readiness, and critical skills so that personnel could be appropriately identified when needed to augment forces as required, or could be disenrolled from this category when they are no longer viable assets for activation.
- **Strategic Retirees:** Recently retired service members, regular or reserve, who maintain sufficient proficiency and health to remain viable as mobilization assets. Although all retirees below age 60 are subject to involuntary recall, those maintained in this category must be managed and periodically evaluated to ensure that their capabilities still match existing or foreseeable requirements. Members would have opportunities to perform duties that provide them with updated training and experience. They would be provided incentives to remain in this category through the use of bonuses for voluntary activation and increased retirement payments under a reformed retirement system. These personnel would be used to augment the active and operational reserve forces in peace or in time

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of emergency in the same fashion as the Strategic Individual Reserves, in positions commensurate with their experience and grade.

The second major subdivision would be the **Strategic Standby Reserve**, containing pretrained personnel whose skills and experience may have lapsed to the point that they can no longer be activated immediately for service with the active, Operational Reserve Force or the Strategic Ready Reserve Force. If needed in times of war or national emergency, they will require a period of health assessment and retraining before they can serve in an expanding military force. Because they are more accessible and are able to be made ready for some tasks more quickly than newly conscripted trainees, they would be the last ones called on for involuntary service before conscription is initiated. The Strategic Standby Reserve would consist of

- **Individual Standby Reservists:** All of today's Individual Ready Reservists who are not a part of the Strategic Ready Reserve Force. This group of manpower would comprise those who are no longer obligated, and who have not volunteered to maintain current skills and availability short of full mobilization.
- **Standby Retirees:** Retirees who are disabled or whose skills and experience are no longer up to date because of the time lapsed since their service and because they have decided not to be active in training opportunities.

Management of the Strategic Standby Reserve would require some minimal resources, largely self-reporting their changes of residence or other significant alterations in status. They would be obligated to keep their data up to date on penalty of having their retirement or veterans' benefits reduced. This category should also be screened continuously to identify those who, by reason of age, disability, or obsolescence of skills, should be removed from consideration for wartime mobilization. Retirees who are no longer appropriate for this category should be removed to a permanently retired list outside of the total force manpower pool.

The **Selective Service System** is the last resort if there is insufficient manpower resident in the categories of the total force manpower pool (shown in Figure VI.3) when the nation faces a major war. This pool of untrained manpower must be considered a part of the spectrum available for national emergencies.

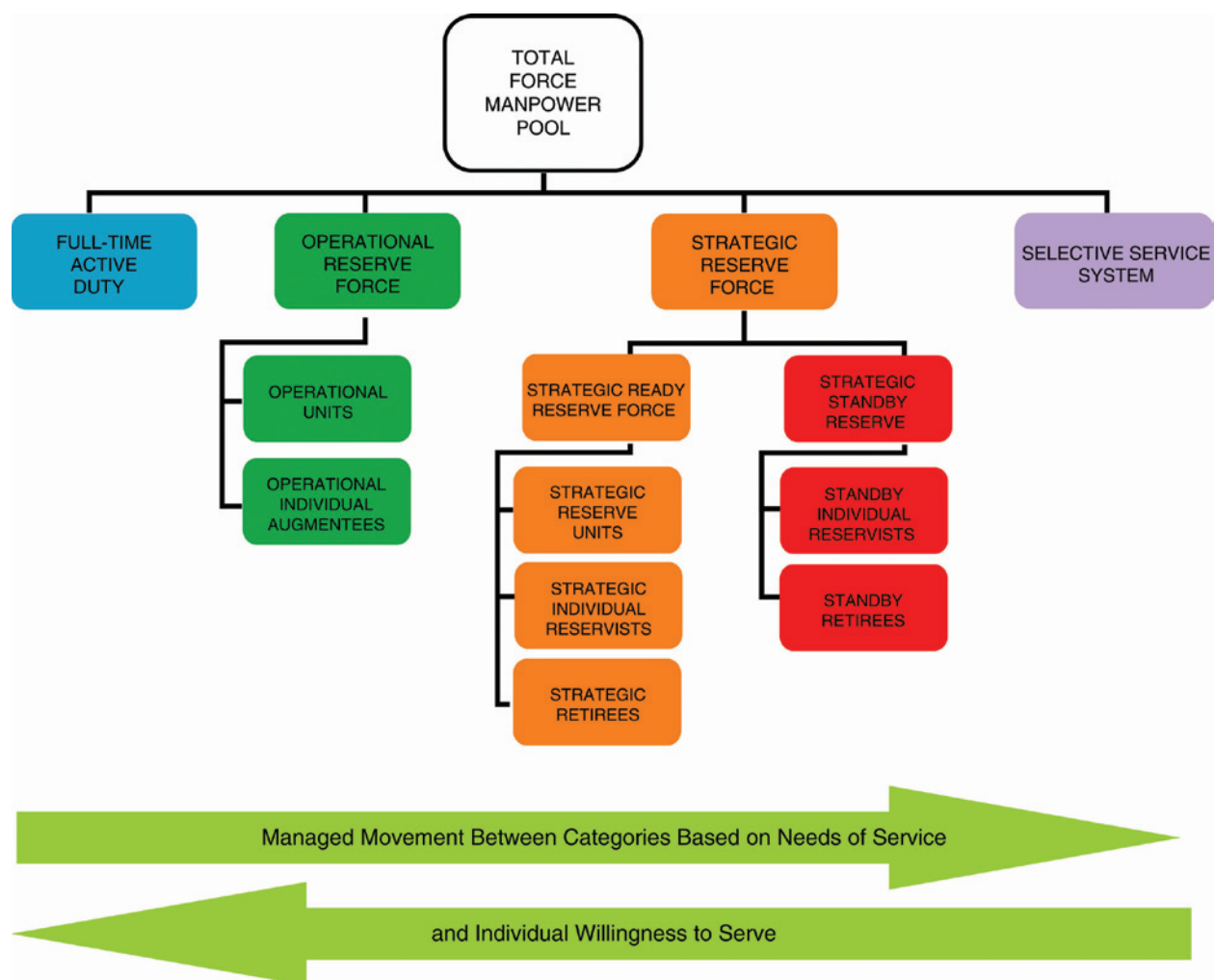


Figure VI.3. Proposed Reserve Component Categories

## C. REFORMING INSTITUTIONS TO SUPPORT AN OPERATIONAL RESERVE FORCE

### Organization Within the Military Departments

Historically Congress has directed the military departments to organize and manage their reserve components differently from the active components. Many of these reserve-specific organizational stovepipes are reflected in current laws, policies, and regulations. Treating the reserves as a separate, distinct entity served a purpose during the Cold War, when plans assumed that the reserves would be called on once in a generation, and when allowing their equipment and training to be deficient was an acceptable risk. But the United States is now engaged in a long war that will compel the use of an operational reserve for the foreseeable future. The new missions require a new interdependence of the reserve and active components, and management based on total force requirements.

Title 10 of the United States Code describes the responsibilities and authorities of the Secretaries of the Army, Navy, and Air Force necessary to conduct all affairs within their respective departments. These include “(1) Recruiting, (2) Organizing, (3) Supplying, (4) Equipping (including research and development), (5) Training, (6) Servicing, (7) Mobilizing, (8) Demobilizing, (9) Administering (including the morale and welfare of personnel), (10) Maintaining, (11) The construction, outfitting, and repair of military equipment, (12) The construction, maintenance, and repair of buildings, structures, and utilities and the acquisition of real property and interests in real property necessary to carry out the responsibilities specified in this section.”<sup>96</sup> Implied in these descriptions is their authority over Reserve and National Guard forces as well.

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The new missions require a new interdependence of the reserve and active components, and management based on total force requirements.

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**Finding:** By law the service Secretaries are assigned the responsibility and authority for conducting all affairs within their departments, including the management of reserve components. Service Chiefs have a similar mandate to manage the manning, training, and equipping of their Title 10 reserve forces.

The law further prescribes the assignment of assistant secretaries of the service departments who “shall be appointed from civilian life by the President, by and with the advice and consent of the Senate[,] . . . [and] shall perform such duties and exercise such powers as the [service Secretary] may prescribe. One of the Assistant Secretaries shall be the Assistant Secretary for Manpower and Reserve Affairs. He shall have as his principal duty the overall supervision of manpower and reserve component affairs” within the department. The law directs assignment of five assistant secretaries for the Department of the Army and four assistant secretaries for the Department of the Navy and Department of the Air Force.<sup>97</sup>

### *The Navy*

The Secretary of the Navy is responsible for recruiting, organizing, supplying, equipping, training, servicing, mobilizing, demobilizing, administering, and maintaining the reserve components in the Navy and Marine Corps. The Chief of Naval Operations (CNO) and the Commandant of the Marine Corps (CMC) are the agents of the Secretary, carry out his or her plans, and supervise their service organizations.<sup>98</sup> Both the CNO and CMC have Chiefs of their Title 10 reserve components—the Chief of the Navy Reserve and Commander, Marine Forces Reserve<sup>99</sup>—who are the advisors on reserve component matters, and who command their respective reserve commands.<sup>100</sup>

The Department of the Navy has placed reserve component affairs under the purview of a deputy assistant secretary. The Deputy Assistant Secretary of the Navy for Reserve Affairs (DASN-RA) is responsible for all matters dealing with reserve affairs in the Navy and Marine Corps. While this model may have been efficient when the reserves served as a strategic force, the organization seems ill suited for today’s operational force. In 2005, the Navy established the office of the Deputy Assis-

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96 10 U.S.C. §§3013, 5013, 8013.

97 10 U.S.C. §§3016, 5016, 8016.

98 10 U.S.C. §§5033, 5043.

99 10 U.S.C. §§5143, 5144.

100 10 U.S.C. §§10172, 10173.

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tant Secretary of the Navy for Total Force Transformation (DASN-TFT).<sup>101</sup> This was the first step in a plan to manage all personnel issues within the Navy and Marine Corps as a total force effort. Future phases of the Navy's plan may include making the DASN-TFT into a DASN for Total Force Integration, to ensure that all military and civilian personnel policies are aligned.<sup>102</sup>

The Department of the Navy appears to be moving toward an approach in which reserve and active component functions are aligned and managed as part of a total force by integrated, functional area—manpower, equipment, readiness, training, funding, and so on—rather than by active or reserve component. Such an approach would facilitate better management for total force requirements.

### *The Army and Air Force*

The Secretaries of the Army and Air Force are responsible for recruiting, organizing, supplying, equipping, training, servicing, mobilizing, demobilizing, administering, and maintaining their respective reserve components, including the Army and Air National Guard of the United States.<sup>103</sup> The Chiefs of Staff of these two services are the agents of their Secretaries, carry out their Secretaries' plans, and supervise their service organizations.<sup>104</sup> Both Chiefs of Staff have Chiefs of their Title 10 reserve components—the Army Reserve and Air Force Reserve—who are the advisors on reserve component matters,<sup>105</sup> and who command their respective reserve commands.<sup>106</sup>

The Department of the Army has placed all reserve component affairs under the purview of a deputy assistant secretary: the Deputy Assistant Secretary of the Army for Training, Readiness, and Mobilization (DASA-TRM). Like the similar structure in the Navy and Marine Corps, this model, which may have been efficient when the reserves served as a strategic force, seems ill suited for

today's operational force. Shifting the supervision of reserve functions to the assistant secretary of the Army assigned responsibility for the corresponding active component functions would enable reserve issues to be integrated with those of the active component and managed by functional area—manpower, equipment, readiness, training, funding, and so on—rather than by active or reserve component.

The Air Force has placed reserve component affairs under the purview of a deputy assistant secretary: the Deputy Assistant Secretary of the Air Force for Manpower and Reserve Affairs (SAF/MRR). As in the other services, shifting the supervision of reserve-specific functions to the assistant secretary assigned responsibility for



General Pace at January 2007 hearing.

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101 Assistant Secretary of the Navy Manpower and Reserve Affairs William Navas, Deputy Assistant Secretary of the Navy memorandum for distribution to the Department of the Navy, "Total Force Transformations," February 4, 2005.

102 Memorandum for the Record (MFR) of CNGR staff meeting with the Honorable William Navas, Assistant Secretary of the Navy for Manpower and Reserve Affairs, April 25, 2007 (updated with later information December 14, 2007).

103 10 U.S.C. §§3013, 3033, 3062, 8013, 8033, 8062, 10101, 10106, 10112.

104 10 U.S.C. §§3033, 8033.

105 10 U.S.C. §§3038, 8038.

106 10 U.S.C. §§10171, 10174.



the corresponding active component functions would facilitate better management for total force requirements.

### *The National Guard*

Although they are part of federally recognized entities, members of the Army and Air National Guard of the several states and territories are not in federal service.<sup>107</sup> State National Guard members also are members of the National Guard of the United States, however, and they transition to federal service as members of either the Army National Guard of the United States or the Air National Guard of the United States when ordered to active duty. They generally are ordered to active federal service when administering the National Guard of the United States, when training at active component schools, when training outside the continental United States (OCONUS), or when mobilized.

While there are some National Guard personnel working within the Pentagon, particularly in the Joint Directorate of Military Support and on the staff of the Assistant Secretary of Defense for Homeland Defense and Americas' Security Affairs (ASD-HD&ASA), by law the only advisor to the Army and Air Force on National Guard matters is the Chief of the National Guard Bureau, and the Chief of the National Guard Bureau is not a member of the Army or Air Force staffs.<sup>108</sup>

**Finding:** The Service Secretaries do not have senior representation on their staffs from the Army and Air National Guard. By law, the only advisor to the Army and Air Force on National Guard matters is the Chief of the National Guard Bureau, and the Chief of the National Guard Bureau is not a member of the Army or Air Force staffs.

The current approach to managing the reserve components was created and evolved during an era when the reserve components were intended to be used as a strategic reserve. If the use of the reserve components as an operational force continues, then it will be necessary to reform the reserve components' leadership structures to sustain that force.

### **Recommendation:**

91. The service Secretaries should manage reserve issues as part of the total force and assign the staffs who work on those issues to the appropriate assistant secretary assigned responsibility for the corresponding active component issues.

### **The Role of the Reserve Chiefs**

One of the core duties of the Army, Air Force, Navy, and Marine Corps Reserve Chiefs is managing their reserve component budgets.<sup>109</sup> Thus the reserve Chief is the official within the executive part of his or her respective department who, subject to the authority, direction, and control of the service Secretary and the Chief of Staff (or CNO and Commandant in the case of the Navy and Marine Corps), is responsible for justifying and executing the personnel, operation and maintenance, and construction budgets for that reserve component. These reserve Chiefs each are the functional managers of appropriations made for their reserve in those areas.<sup>110</sup> The Coast Guard Reserve has a Director, who is the principal advisor to the Coast Guard Commandant on Coast Guard Reserve matters and who is responsible for preparing and executing the budget of the Coast

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107 10 U.S.C. §§10105, 10111.

108 10 U.S.C. §10503.

109 10 U.S.C. §3038(d), 8038(d).

110 10 U.S.C. §3038(d).

## REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

Guard Reserve.<sup>111</sup> As discussed below, the Directors of the Army and Air National Guard do not have the same statutory responsibility either with regard to their service Chiefs of Staff or with regard to their respective budgets. Rather, they are subject (including in budgetary matters) to the authority, direction, and control of the Chief of the National Guard Bureau.

In our March report, the Commission stated that we would examine the grade structure of reserve component senior officers “to ensure that their duties and responsibilities are described accurately and are current with regard to the requirements necessary to support the global war on terror, both overseas and domestically[.]”<sup>112</sup> The reserve component Chiefs’ roles have increased in importance with the advent of an operational reserve.

The reserve component Chiefs serve a key role in providing forces for the global war on terror. More than six years after 9/11, the reserve components continue to demonstrate that they are capable, flexible, agile, and willing to fight across the full spectrum of conflict. The use of reserve personnel has increased from 12 million duty days per fiscal year in 2001 to more than 68 million in 2005.<sup>113</sup> As commanders of their respective reserve forces, the Chiefs of the Air Force, Army, and Navy Reserves and the Commander, Marine Forces Reserve, are responsible to the service Chiefs to ensure that their forces are manned, trained, and equipped and ready to meet the increased demands on them.

Other changes, including DOD’s stated policy of a “focused reliance” on the reserve components for the homeland missions (discussed in Chapter II), the planned continued dependence on the reserve components as part of the operational forces, and integration of the components as part of each

service’s total force, will all increase the responsibility and complexity inherent in these positions. Officers with expertise in reserve matters and knowledge of the unique capabilities the reserves can supply are the best suited to further these integration efforts and implement the recommendations of this report. Some have argued that the duties and responsibilities of reserve Chief or Commander may warrant the grade of four stars. Among them is General T. Michael Moseley, Air Force Chief of Staff, who requested that the Commission “consider the Air Guard and Air Reserve each be led by a four-star General[.]”<sup>114</sup>

The increasing reliance on the reserve components as operational forces within each service requires a level of integration that may best be achieved by eliminating “reserve only” offices, staffs, and headquarters in DOD and within the services. As the organizational,

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CNGR Chairman Arnold L. Punaro.

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<sup>111</sup> 14 U.S.C. §53.

<sup>112</sup> *Strengthening America’s Defenses in the New Security Environment*, Second Report to Congress, March 1, 2007 ([Arlington, VA: Commission on the National Guard and Reserves], 2007), p. xix.

<sup>113</sup> Briefing prepared for the Secretary of Defense (SecDef) by OASD-RA, January 2007, slide 3.

<sup>114</sup> General Moseley, letter to the Commission on the National Guard and Reserves, March 15, 2007, p. 2.

structural, operational, and personnel reforms required to achieve true integration are implemented, the reserve components must continue to be represented within each of the services by knowledgeable and capable leadership. The Chiefs of each reserve component are best suited to fill this role. Their service in the reserve components gives them a rich understanding of the nature of reserve service and how best to match the capabilities of their components with the demands of the services for the increased use required of an operational force. These officers have risen to the general and flag officers ranks in their services as respected professionals and are required to have experience similar to that of their active component peers. They are best prepared to promote true reform and ensure the most effective, sustainable use of their components.

Title 10 of the United States Code currently requires that five of the seven reserve component Chiefs possess experience and intimate knowledge of their respective reserve components, from which they must be nominated. The Chief of the Navy Reserve and Commander, Marine Forces Reserve, are not designated as positions that should be filled by reserve officers.<sup>115</sup>

**Finding:** The Chiefs of the Army, Air Force, Navy, and Marine Corps Reserves are the officials within the executive part of their respective departments who administer the budgets of their respective Title 10 reserve components and command their forces subject to the authority, direction, and control of their service Secretary and their Chief of Staff.

**Finding:** The roles of reserve component Chiefs have increased in importance as the reserve component has transformed into part of the operational force. Reserve component commanders have taken on significantly different duties and responsibilities since September 11, 2001. They play a key role in national security, the global war on terror, homeland defense and security missions, and the integration of the reserve components into each service's total force.

**Recommendations:**

92. The Secretary of Defense should direct each service to review the duties, command relationship, authority, and grade of the respective DOD reserve component Chiefs/Commanders to determine whether the grade is appropriate for the duties being performed, and whether it is commensurate with duties performed by four-star officers in the Department. The Secretary should initiate action, as necessary, to change the grades determined to be appropriate for the reserve component Chiefs/Commanders. The grades of all reserve component Chiefs/Commanders and the Chief of the National Guard Bureau should be periodically reviewed to ensure that the duties and responsibilities required for these positions support the grade designated for them.
93. The statutory qualifications of all reserve component Chiefs should include the requirement that the officer appointed should be from the reserve component of the office to which he or she is appointed. Congress should amend sections 5143 (Office of Navy Reserve: appointment of Chief) and 5144 (Office of Marine Forces Reserve: appointment of Commander) of Title 10 to ensure that the Chiefs of the Navy Reserve and Marine Forces Reserve are from the reserve components of those services.

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<sup>115</sup> 10 U.S.C. §§5143, 5144.

## The National Guard Bureau and the Directors of the Army and Air National Guard

The National Guard Bureau is a joint activity of the Army and Air Force.<sup>116</sup> It is assigned the responsibility of being the channel of communication between the Departments of the Army and Air Force and the states on matters pertaining to their National Guard forces so that they can provide trained and equipped units in time of war or emergency to augment the active Army and Air Force.<sup>117</sup>

The bulk of the National Guard Bureau's current responsibilities are listed in its charter.<sup>118</sup> Among its key statutory duties are the responsibility (1) to "allocate unit structure, strength authorizations, and other resources" to the Army and Air National Guard"; (2) to "prescrib[e] training discipline and training requirements"; (3) to "monitor[] and assist[] the States in the organization, maintenance, and operation of National Guard units"; (4) to "plan[] and administer[] the [National Guard] budget"; (5) to "supervis[e] the acquisition and supply of, and accountability of the states for, Federal property issued to the National Guard"; and (6) to assist the Secretary of Defense in facilitating and coordinating the use of National Guard personnel and resources for operations conducted under Title 32, or in support of state missions, with other federal agencies, the adjutants general, U.S. Joint Forces Command, and U.S. Northern Command.<sup>119</sup>

The Chief of the National Guard Bureau's authority to "administer" the National Guard budget entails assisting the Army and Air Force Chiefs of Staff in developing their program objectives memoranda (POMs), distributing funds allocated by the Department of Defense and the services down to the states, and managing the quarterly adjustments based on changes in execution by cutting or adding to a state's obligation authority.

**Finding:** The authority to administer the budgets of the Army and Air National Guard resides in the National Guard Bureau, not with the Army or Air subcomponents of the National Guard Bureau.

The organic statutes that create the position of the Chief of the National Guard Bureau make clear that he or she is not a commander of any forces.<sup>120</sup> The position is administrative and advisory in nature. The Chief of the National Guard Bureau is the "principal adviser" to the Secretary of the Army and the Chief of Staff of the Army, and to the Secretary of the Air Force and the Chief of Staff of the Air Force, on matters related to the National Guard in general and to the Army and Air National Guard in particular. This means that although the Chief of the Bureau is charged with administering the budgets of the Army and Air National Guard, nothing in law states that he or she is subject to the authority, direction, or control of the Chiefs of Staff of the Army or Air Force in determining how that responsibility is carried out.

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116 10 U.S.C. §10501.

117 Army Regulation 130-5/AFMD 10, "Organization and Functions of National Guard Bureau," December 30, 2001, pp. 3–4; this document was also included in the CNGR's March 1 report as Appendix 5 (*Strengthening America's Defenses in the New Security Environment*, pp. 123–24).

118 See *Strengthening America's Defenses in the New Security Environment*, pp. 123–24.

119 10 U.S.C. §10503(1), (2), (4), (5), (6), (7), and (13).

120 Section 10502 of Title 10, United States Code, establishes the position of the Chief of the National Guard Bureau; describes the responsibilities of the position, the requirements for appointment, the term of office, and the grade of the position; and provides the advisory duties associated with the office (William J. Haynes, Department of Defense General Counsel, memorandum to the Chief of National Guard Bureau, June 1, 2006). A commander is "a commissioned or warrant officer who, by virtue of grade and assignment, exercises primary command authority over a military organization or prescribed territorial area that under pertinent official directives is recognized as a "command" (Army Regulation 600-20, "Army Command Policy," June 7, 2006, para. 1-5).

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**Finding:** The Chief of the Bureau is charged with administering the budgets of the Army and Air National Guard, but is not subject to the authority, direction, or control of the Chiefs of Staff of the Army or Air Force in determining how that responsibility is carried out.

The Commission in our March 1 report recommended that within the Department of Defense bureaucracy, the National Guard Bureau be given a different organizational position—one that will permit it to continue to perform its statutory responsibilities enumerated in its charter and to take a greater part in planning and executing homeland missions, consonant with the other organizations inside and outside the Department.

The Commission's recommendation was adopted by Congress, which passed legislation changing the National Guard Bureau from a joint bureau of the Army and Air Force to a joint activity of the Department of Defense.<sup>121</sup> Congress also specified that the Bureau's functions shall include assisting the Secretary of Defense in facilitating and coordinating the use of National Guard personnel and resources for operations conducted under Title 32, or in support of state missions, with other federal agencies, the adjutants general, U.S. Joint Forces Command, and U.S. Northern Command.<sup>122</sup> Congress further adopted the Commission's recommendation that the Chief of the Bureau become an advisor to the Secretary of Defense through the Chairman of the Joint Chiefs of Staff on matters involving non-federalized National Guard forces and on other matters as determined by the Secretary of Defense.<sup>123</sup> Congress thus established formal relationships between the Bureau and its partners concerning all National Guard matters—federal and state, including for homeland defense and civil support missions.

Section 10506 of Title 10, United States Code, establishes within the National Guard Bureau the positions of the Director of the Air and Army National Guard and prescribes them only one duty: "The officers so selected shall assist the Chief of the National Guard Bureau in carrying out the functions of the National Guard Bureau as they relate to their respective branches."<sup>124</sup> Each director has a deputy. The Directors of the Army and Air National Guard are the senior ranking officers of the Army and the Air National Guard reserve components, respectively. If there is a vacancy in the position of Chief of the National Guard Bureau or if the Chief is unable to perform his or her duties, the senior of these directors would serve as acting Chief.<sup>125</sup>

**Finding:** The sole responsibility of the Directors of the Army and Air National Guard is to assist the Chief of the National Guard Bureau in carrying out his or her statutory responsibilities; they are not subject in any regard to any direction, authority, or control of their service Chiefs of Staff or service Secretaries, including on matters pertaining to Title 10.

General Moseley proposed that the Commission

investigate options that would more closely align the Air National Guard and Army National Guard with their respective Military Departments, parallel to the Reserves' alignment but with a differing mission set. Such realignment would be more consistent with how the Air

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121 10 U.S.C. §10501; House Report 110-477, Conference Report to accompany H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, 110th Cong., 1st sess., December 6, 2007, §1812.

122 10 U.S.C. §10503; House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1813.

123 10 U.S.C. §10503; House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1811. See *Strengthening America's Defenses in the New Security Environment*, pp. 71–72.

124 10 U.S.C. §§10506(a)(1)(A) & (B), 10506(a)(2).

125 10 U.S.C. §10502(e).



## REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

Force and Army currently organize, train, equip, and present our forces to the combatant commanders. It would help the Departments address these two inherent components' issues holistically, as part of the Total Air Force or Army. And it would also better facilitate the Military Departments' identification, mentoring, and preparation of Air and Army National Guardsmen for positions of greater responsibility and authority.<sup>126</sup>

The peculiar statutory construct establishing the roles of the Directors of the Army and Air National Guard leaves a gap between the Title 10 authorities and responsibilities of the Army and Air Force service Secretaries, and of their Chiefs of Staff, and those of the directors. Because of this gap, there is no alignment of authority and responsibility for recruiting, organizing, supplying, equipping, training, servicing, mobilizing, demobilizing, administering, and maintaining the Army and Air National Guard for its federal mission. As discussed above, the Chief of the National Guard Bureau is responsible for administering the budgets to accomplish these tasks, but no statutory authority exists to enable anyone, except possibly the President, to hold the Chief accountable if the Chief were to fail to carry them out.<sup>127</sup>

In addition to failing to create any effective mechanisms to hold officials responsible for carrying out their extremely important statutory duties, this framework limits the ability of the Air and Army National Guard directors to represent and advocate for their organizations at the service Secretary level. To be sure, much can be accomplished through personal connections, particularly when service Secretaries and their Chiefs of Staff sincerely desire to integrate the directors and their staffs into the decision-making process, but the Commission believes that there is no substitute for establishing clear statutory lines of authority and responsibility to govern these critical relationships.

The Army and Air National Guard rely on their parent services for the funding needed to organize, man, train, and equip their units. The Army and Air National Guard provide their input to the internal Pentagon budget process through their parent services, and they perform the vast majority of their missions with their active component counterparts and through the parent services' organizational structure. Thus, having the Directors of the Army and Air National Guard report to their parent services as well as to the National Guard Bureau would enhance the organizational effectiveness of the Army and Air Force, increase communication between the Army and Air National Guard and their parent services, and ultimately improve the Guard's warfighting capability.

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... having the Directors of the Army and Air National Guard report to their parent services as well as to the National Guard Bureau would ... ultimately improve the Guard's warfighting capability.

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126 General Moseley, letter to the CNGR, March 15, 2007, p. 1.

127 10 U.S.C. §10501 provides that "the National Guard Bureau is the channel of communications on all matters pertaining to the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States between (1) the Department of the Army and Department of the Air Force, and (2) the several States." Section 10502(c) then specifies that "[t]he Chief of the National Guard Bureau is (1) a principal adviser to the Secretary of Defense, through the Chairman of the Joint Chiefs of Staff, on matters involving non-federalized National Guard forces and on other matters as determined by the Secretary of Defense; and (2) the principal adviser to the Secretary of the Army and the Chief of Staff of the Army, and to the Secretary of the Air Force and the Chief of Staff of the Air Force, on matters relating to the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States." Section 10503 addresses the functions of National Guard Bureau and provides for its charter, enumerating such duties as allocating unit structure, strength authorizations, and other resources to the National Guard; prescribing the training discipline and training requirements; ensuring that units and members are trained in accordance with approved programs and policies of, and guidance from, the Chief, the Secretary of the Army, and the Secretary of the Air Force; monitoring and assisting the states in the organization, maintenance, and operation of the National Guard; and planning and administering its budget.

## REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

The current lack of clear lines of authority has permitted DOD, particularly the Army, to avoid responsibility for adequately resourcing the Army National Guard. The Commission believes that senior leadership in the Army should be held fully accountable for ensuring that the Army National Guard is organized, manned, trained, and equipped to carry out the complete spectrum of missions assigned to it as part of the total operational force, and that such accountability is possible only if statutory authority is clearly aligned with that responsibility.

If the Directors of the Army and Air National Guard were assigned to their Chiefs of Staff, they would continue to advise the Chief of the National Guard Bureau as well. At the same time, the National Guard Bureau would remain the liaison for non-federal missions, particularly the homeland-related missions executed by the National Guard. By law, the director of the joint staff of the National Guard Bureau is selected by the Secretary of Defense to perform “such duties as may be prescribed by the Chief of the National Guard Bureau.”<sup>128</sup> Through this continued statutory relationship, the NGB joint staff director—and joint staff—would continue to assist the Chief of the Bureau in his or her role as an advisor to the Secretary of Defense through the Chairman of the Joint Chiefs of Staff on matters involving non-federalized National Guard forces. Thus, the Chief’s ability to execute the duties of the office would not be impeded.

Some have argued that the same effect already has been achieved without establishing clear statutory lines. The Directors of the Army and the Air National Guard, individually and though the various National Guard personnel spread throughout their respective services, have substantial involvement within the Army and Air Force processes. Yet nothing in law or policy directs that these senior Guard leaders be allowed to represent their reserve components at any service functions, including those related to the budget process. Therefore, it is not accurate to say that they are fully integrated. And even if they presently are being afforded sufficient access, there is nothing to prevent their current participation from being curtailed in whole or in part.

Moreover, some view the present arrangement, in which the Directors of the Army and Air National Guard are assigned to the National Guard Bureau, as highlighting the separateness of the National Guard rather than its status as an integral part of the Army and Air Force. A clear command relationship would help reduce that separation. If they were members of the Army and Air Force staff, then the Directors of the Army and Air National Guard would be better informed about developments inside those services, making them better able to facilitate communications between the Army and Air Force and the National Guard Bureau. Likewise, the operational interests of the Army and Air Force would be better served if all the senior ranking officers of their reserve components were in a direct line of command to the Chiefs of Staff of the Army and Air Force rather than assigned solely to a separate administrative entity, as they are now.

A statutory gap between the Secretaries of the Army and Air Force and the Directors of the Army and Air National Guard reduces accountability for Title 10 responsibilities to organize, man, train, and equip the Guard; prevents effective consideration of National Guard priorities; and reinforces separateness between the Air and Army National Guard and their parent services.

**Finding:** If the Directors of the Army and Air National Guard are assigned to their Chiefs of Staff, they will continue to support the National Guard Bureau while at the same time supporting their respective services.

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128 10 U.S.C. §10505(b).

**Recommendation:**

94. Congress should establish an office for the Director of the Army National Guard and an office for the Director of the Air National Guard within the Army and Air Force staffs, respectively. The directors of these offices would have responsibilities similar to those held by the Chief of the Army Reserve and the Chief of the Air Force Reserve. The Director of the Army National Guard of the United States would assist the Army Chief of Staff in executing the Chief's responsibilities pursuant to Title 10 U.S.C. §3033. The Director of the Air National Guard of the United States would assist the Air Force Chief of Staff in executing the Chief's responsibilities pursuant to Title 10 U.S.C. §8033. The Directors of the Army and Air National Guard would have dual reporting responsibilities—reporting both to their respective Chiefs of Staff and to the Chief of the National Guard Bureau for non-federal National Guard matters. The Secretaries of the Army and Air Force should evaluate the need to establish commands for Army and Air National Guard forces serving in a Title 10 status as members of the Army National Guard of the United States and Air National Guard of the United States, respectively, and whether the Directors of the Army National Guard and the Air National Guard should command such organizations.

***Explanation of Recommendation #94***

The Commission believes that long-standing problems associated with relations between the Air and Army National Guard and their parent services, while to some extent necessary outcomes of tensions inherent in our federalist system of government, nevertheless must be examined and alleviated in order to enhance the ability of the National Guard to perform its vital state and federal missions. The Commission believes that any proposed solutions should better align the statutory authorities (10 U.S.C. §3013 and §8013) and responsibilities of the Secretaries of the Army and Air Force from the service Secretaries to the Directors of the Air and Army National Guard. These service Secretaries are responsible for formulating “policies and programs that are fully consistent with national security objectives and policies established by the President and Secretary of Defense” for their entire department, including the National Guard components.

The Chief of the National Guard Bureau's role would be elevated by the 2008 National Defense Authorization Act,<sup>129</sup> consistent with the recommendations of our March 1 report. Once given a four-star rank and increased responsibilities as an advisor to the Secretary of Defense on matters related to the National Guard forces in non-federal status, the CNGB should retain the ability to influence decisions regarding such matters and ensure that the needs of states and their governors are addressed in policies formulated by the Secretary of Defense. The CNGB would also retain direct lines of communication to the service Secretaries and their Chiefs of Staff. At the same time, placing National Guard leaders on the staffs of the service Chiefs of Staff will ensure that those same policies are carried out at a lower level in the Department and that the National Guard components are provided the resources they require to perform effectively in both their state and federal roles. We believe this is the best approach to solving the problems we identify; we emphasize, however, that what is most important is not how the problems are solved but that they are solved as soon as possible.

Some may claim that this recommendation is somehow inconsistent with the Commission's previous recommendation that the position of the Chief of the National Guard Bureau be elevated from lieutenant general. We disagree. Elevating the Chief to general is fully consistent with a recommendation to place the Air and Army Guard directors on the staffs of their respective Chiefs of Staff. The

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129 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1811.

## REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

Commission recommended increasing the grade of the Chief to reflect the changing and expanding responsibilities of the position—those enumerated in the current National Guard Bureau statute and charter as well as the many other duties that the Chief performs but that are not described in the statute or charter. This recommendation was based not on the Chief's role as a supervisor of general officers but on careful analysis of the magnitude and complexity of the combined duties and responsibilities required to be performed, and the significance of the decisions made, by the Chief of the National Guard Bureau. The proposal does not relieve the Chief of his or her varied and significant duties, but rather provides the Chief with two advisors who are embedded in the active Army and Air Force organizations.

Another immediate concern is the effect on the interests of states, who look to the National Guard Bureau for advocacy within the DOD bureaucracy. Today one of the duties of the Chief of the National Guard Bureau is to coordinate the directors' activities and ensure that the directors consider the interests of the states when they allocate the resources provided to them by their services. Our intent is that as advisors to the service Chiefs of Staff, the directors would continue to ensure that the states' interests are considered; strengthening the connections between the directors and their service Chiefs will not give rise to conflict. The NGB's advocacy role will be further enhanced by the new formal relationship of the Chief of the Guard Bureau as advisor to the Secretary of Defense through the Chairman of the Joint Chiefs of Staff.

Finally, there undoubtedly will be some worry that creating a direct relationship between the directors and the services' Chiefs of Staff would somehow interfere with the National Guard's state missions under either state active duty or Title 32. We see no reason why that would be the case. The directors are now, and would continue to be, in active federal service. They and their service supervisors would have no command authority over state active duty or Title 32 forces. Ordering National Guard forces into active federal service must have a legitimate federal purpose and be accomplished pursuant to federal statute; that requirement would not change under this proposal.

The service Secretaries have statutory authority to prescribe command organizations.<sup>130</sup> When National Guard service members are called into federal service they are operationally attached to specific commands to perform their operational missions. However, as in the case of the Army and Air Force Reserves, the Secretaries may determine it is beneficial to have a specific commander responsible for other oversight of these service members. The Commission sees considerable merit in the proposal by some to establish such commands,<sup>131</sup> but believes that the nature of these structures should be determined by the service Secretaries based on the needs of their service.



Release of Commission's March 1, 2007, Report.

The net effect of this proposed change would be to more completely integrate the Directors of the Army and Air National Guard into the Army and the Air Force, respectively, thereby ensuring that

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<sup>130</sup> 10 U.S.C. §§3074, 8074.

<sup>131</sup> General Moseley suggested that the Commission consider giving the Air Guard the status of an Air Force Major Command (letter to the CNGR, March 15, 2007, p. 2).



## REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

the National Guard continues to be trained and resourced for its warfighting missions. The Directors of the Army and Air National Guard would provide the National Guard with leadership at a very senior level within the services where they would be responsible for, and empowered to facilitate, better resourcing and training for all National Guard missions. Combined with the recent statutory changes recommended by our March 1, 2007, report that are written into the 2008 NDAA, including a reformed role and elevated rank of the Chief of the National Guard Bureau and the creation of a Council of Governors to advise the Secretary of Defense,<sup>132</sup> this recommendation will result in policies that better balance the needs of states and of the Army and Air Force in preparing the Army and Air National Guard to carry out their unique dual roles.

### The Office of the Secretary of Defense

Does the current organizational structure serve reserve components well, or would reorganization based on functional lines, to more fully integrate them with the active component, enhance the ability of the reserves to accomplish their mission? Chapter 4 of Title 10, United States Code, prescribes the structure and functions of the Office of the Secretary of Defense, including the number of assistant secretaries of Defense. Several assistant secretary positions are also statutorily prescribed, among them the Assistant Secretary of Defense for Reserve Affairs (ASD-RA). Section 1212(a) of the National Defense Authorization Act for Fiscal Year 1984 required that one of the new assistant secretary of Defense positions authorized in the legislation be designated the Assistant Secretary of Defense for Reserve Affairs.<sup>133</sup>

Prior to this change, one of the assistant secretaries was triple-hatted as the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, with a deputy assistant secretary designated for reserve affairs. The first ASD-RA assumed the office in 1984. A decade after establishing the ASD-RA position, Congress created a new position: the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), to whom the three assistant secretaries would now report, was made responsible for total force management.<sup>134</sup>

The Office of the Assistant Secretary of the Defense for Reserve Affairs was created following the post-Vietnam force drawdown, when the nation's military was structured for the continuing Cold War against Soviet and other communist expansion. As a result, the United States maintained a large active duty military presence in Europe as a North Atlantic Treaty Organization (NATO) first responder to the threat of a large number of armored Soviet divisions. During this time, as noted above, the reserve component was "viewed as a force of last resort, one that should be mobilized if the nation entered a major war and found that its active military needed substantial reinforcement[.]"<sup>135</sup>

While military and civilian leaders within DOD gave appropriate lip service to the Total Force Policy prescribed in the 1970s, many questioned whether the reserve component would be used in any meaningful way. This skepticism was based, at least in part, on the experience of Vietnam, a war during which reserve component personnel were largely withheld from involuntary wartime service.<sup>136</sup> Against this backdrop it was logical in the early 1980s to create an assistant secretary specifically tasked with the overall supervision of reserve component affairs within DOD, who

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132 House Report 110-477, accompanying H.R. 1585, NDAA for FY 2008, §1822.

133 Public Law 98-94, September 24, 1983, §1212.

134 Public Law 103-160, *National Defense Authorization Act for 1994*, November 30, 1993, §905.

135 Wormuth et al., *The Future of the National Guard and Reserves*, p. xv.

136 National Defense Research Institute, *Assessing the Structure and Mix of Future Active and Reserve Forces: Final Report to the Secretary of Defense*, MR-140-1-OSD (Santa Monica, CA: Rand, 1992), pp. 31–32.



could raise the profile of the nation's large reserve component force and help improve resourcing for reserve manpower, training, and equipment.

**Finding:** Management of reserve forces was segregated from management of the active force during the Cold War. This approach was based on the assumption that the reserves would be called on once in a generation.

As already discussed, testimony by numerous DOD, Joint Staff, and service witnesses over the past two years has emphasized that today's National Guard and Reserves are no longer the strategic reserve force of the 1980s. They are instead a highly operational component of the total force.<sup>137</sup> Yet despite the transformation of the Guard and Reserves into an operational force, OSD structures apparently remain better suited to a post-Vietnam strategic reserve force likely to be used only for a Cold War scenario. They do not foster, and may actually impede, total force integration.

**Finding:** Current and projected reserve component missions require greater interdependence between the reserve and active components than currently exists.

OASD-RA is a good example of an entity that time has passed by. The ASD-RA—the principal advisor to the Secretary of Defense and the USD(P&R) for reserve component matters in the Department of Defense—is responsible for overall supervision of all reserve component affairs in the Department of Defense.<sup>138</sup> OASD-RA is divided into five deputates, whose leaders serve as the principal staff assistants to the secretary. They are (a) Manpower and Personnel; (b) Readiness, Training and Mobilization; (c) Materiel and Facilities; (d) Resources; and (e) Civil-Military Policy.<sup>139</sup>

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OASD-RA is a good example of an entity that time has passed by.

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As discussed below, most if not all of OASD-RA's functions are replicated elsewhere within the Office of the Secretary of Defense (see Figure VI.4). These other offices currently manage activity for everything except reserve issues. The Commission, therefore, examined whether the goal of an integrated force would be advanced if offices were organized by functional category, with the responsibility for active and reserve programs with similar functions being handled in the same office rather than in separate offices, and whether such a reorganization that included eliminating OASD-RA would produce a more efficient and effective reserve force.

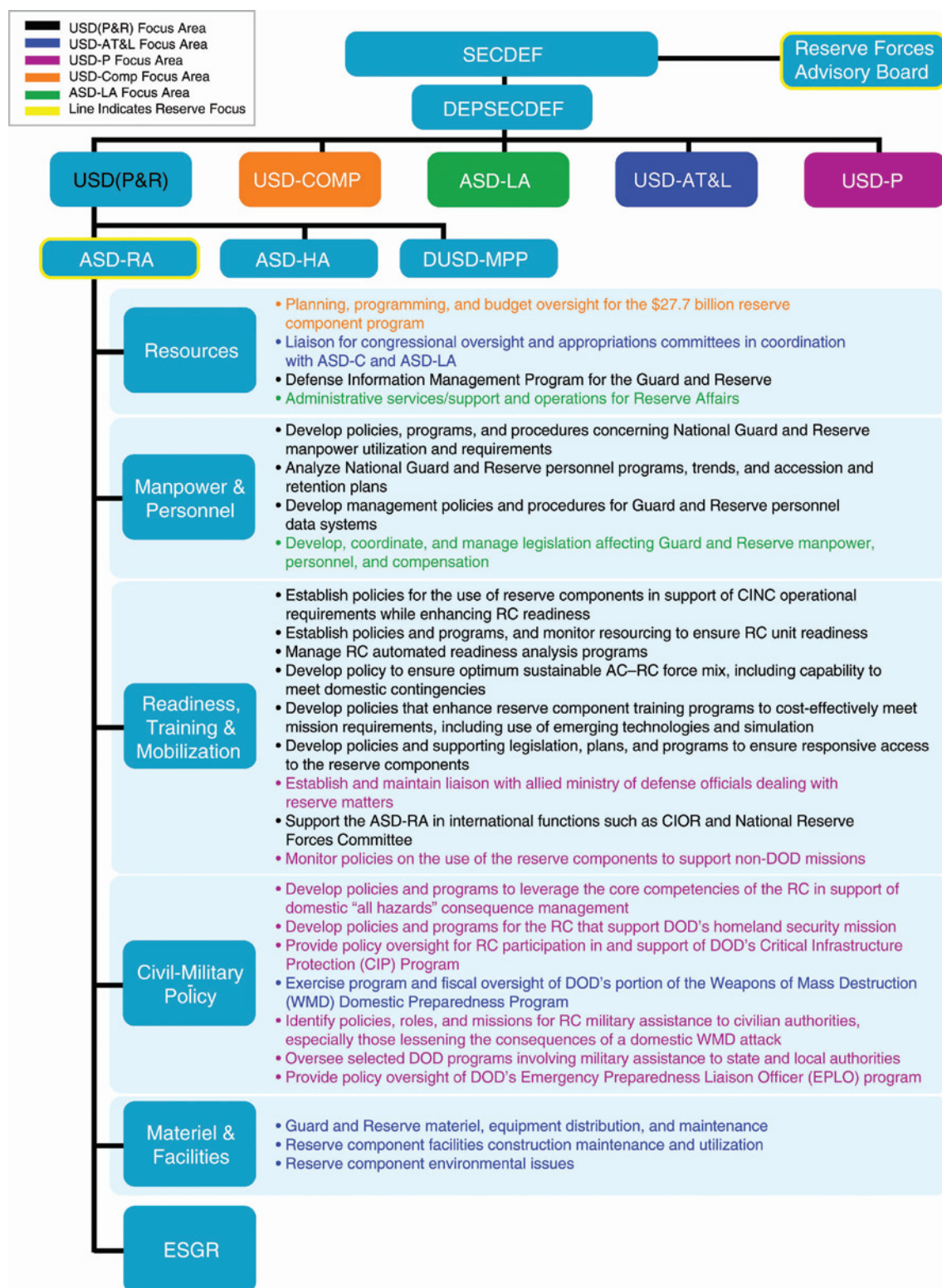
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<sup>137</sup> See note 2.

<sup>138</sup> Department of Defense Directive 5125.01, "Assistant Secretary of Defense for Reserve Affairs (ASD-RA)," December 27, 2006, p. 2.

<sup>139</sup> "Reserve Affairs Organization Chart," Office of the Assistant Secretary of Defense: Reserve Affairs ([www.defenselink.mil/ra/html/orgchart.html](http://www.defenselink.mil/ra/html/orgchart.html)).

# REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE



Source: Descriptions from “Deputates” Web site, Office of the Assistant Secretary of Defense, Reserve Affairs ([www.defenselink.mil/ra/html/deputates.html](http://www.defenselink.mil/ra/html/deputates.html)).

Figure VI.4. Assistant Secretary of Defense for Reserve Affairs Functions

One example of an area where overlap occurs is homeland defense. The National Defense Authorization Act for Fiscal Year 2003 established the Assistant Secretary of Defense for Homeland Defense, later renamed Homeland Defense and Americas' Security Affairs.<sup>140</sup> ASD-HD&ASA is responsible for "the overall supervision of the homeland defense activities of the Department of Defense" under the authority, direction, and control of the Under Secretary of Defense for Policy. He or she provides oversight to DOD homeland defense activities, develops policies, conducts analyses, provides advice, and makes recommendations on homeland defense, defense support of civil authorities, emergency preparedness, and domestic crisis management matters within the Department.<sup>141</sup>

President George W. Bush has declared that "[t]he U.S. Government has no more important mission than protecting the homeland from future terrorist attacks."<sup>142</sup> Yet not all homeland security efforts within DOD are under the jurisdiction of ASD-HD&ASA. Specifically, ASD-RA's Office of Civil Military Policy "develops policies and programs to leverage the core competencies of the RC in support of domestic 'All Hazards' consequence management," including "develop[ing] policies and programs for the RC which support DOD's Homeland Security mission."<sup>143</sup>

In our March report, the Commission concluded that "[a]lthough the current Department of Defense *Strategy for Homeland Defense and Civil Support* states that securing the U.S. homeland is 'the first among many priorities,' the Defense Department in fact has not accepted that this responsibility requires planning, programming, and budgeting for civil support missions."<sup>144</sup> The question is whether—given the central role the reserve components, and particularly the National Guard, play in the nation's homeland defense efforts—those efforts might be better prioritized if they were centralized under the ASD-HD&ASA rather than scattered among various staffs within the Office of the Secretary of Defense.

Even within the Office of the Under Secretary of Defense for Personnel and Readiness, responsibilities are fractured. The Deputy Under Secretary of Defense for Military Personnel Policy, who is responsible for active force recruiting and retention, reports through the Principal Deputy Under Secretary of Defense for Personnel and Readiness to USD(P&R). However, reserve recruiting and retention are overseen by the Deputy Assistant Secretary of Defense for Reserve Affairs (Manpower and Personnel), who reports first to the ASD-RA and then through the Personnel and Readiness chain. This division of the management of recruiting among different offices within the Defense Department results in a lack of coordination in such programs as bonus and incentive plans. For example, whereas the DOD directive on the active component program was updated and issued on January 31, 2005, the directive on the reserve component program is dated January 8, 1996, with an implementing instruction dated September 20, 1999.<sup>145</sup> Again, the question is whether it makes sense to deal with the integration of such critical total force issues as recruiting and retention at a level below that of one of the four under secretaries of Defense, the most senior officials in OSD after the Secretary and Deputy Secretary of Defense.

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140 Public Law 107-314, December 2, 2002, §902.

141 Joint Chiefs of Staff, "Homeland Security," Joint Publication 3-26, August 2, 2005, p. II-5.

142 *National Strategy for Homeland Security* ([Washington, DC: The White House], 2002), p. [iii].

143 "Civil-Military Policy," Office of the Assistant Secretary of Defense for Reserve Affairs ([www.defenselink.mil/ra/html/cmp.html](http://www.defenselink.mil/ra/html/cmp.html)).

144 *Strengthening America's Defenses in the New Security Environment*, p. 52. See further discussion of this issue in Chapter II, above.

145 Department of Defense Directive 1304.21, "Policy on Enlistment Bonuses, Accession Bonuses for New Officers in Critical Skills, Selective Reenlistment Bonuses, and Critical Skills Retention Bonuses for Active Members," January 31, 2005; Department of Defense Directive 1205.20, "Reserve Component Incentive Programs," January 8, 1996; Department of Defense Instruction 1205.21, "Reserve Component Incentive Programs Procedures," September 20, 1999.

## *REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE*

The example of recruiting policy clearly illustrates how lack of coordination hurts efforts to integrate functional areas. All forces draw their candidates from the same pool, and the reserves today make up almost half of the nation's military personnel. Reserve compensation is structured proportionally to active duty compensation. For reserve recruiting to remain competitive, a prospective recruit choosing between active and reserve service needs to understand how the two compare in their compensation packages and in the level of commitment that is expected. Such knowledge is possible only if the potential recruit has a full and fair view of all options presented. Similarly, at the end of their obligated service, members need to be counseled on retention within the total force, not advised solely about active or solely about reserve opportunities, if DOD is to maximize its ability to retain skilled military personnel.

Because of the duplications and inefficiencies created by a separate, reserve-specific entity like OASD-RA, many have suggested eliminating OASD-RA in favor of integrating each functional area—such as manpower, equipment, and readiness—with the active component under the appropriate functional manager within OSD. Proponents of the status quo argue that total force integration remains far from being a reality and that, as was contended when the office was created, a separate advocate for the reserve component within OSD is still critical to ensuring the efficient management and resourcing of today's operational reserve force.

Figure VI.5 provides an example of how the OSD staff could be restructured to achieve a more functional alignment. Those functions without a parallel in the active component would be shifted to the appropriate under secretary. The staff working on reserve issues would hold commensurate rank and responsibilities with their counterparts who handle active component issues. As discussed in Chapter V, the Executive Director for Employer Support of the Guard and Reserve would report directly to the Secretary of Defense. Implementing this new structure would benefit total force integration by shifting the development of reserve policy to the most senior leadership within the Defense Department.



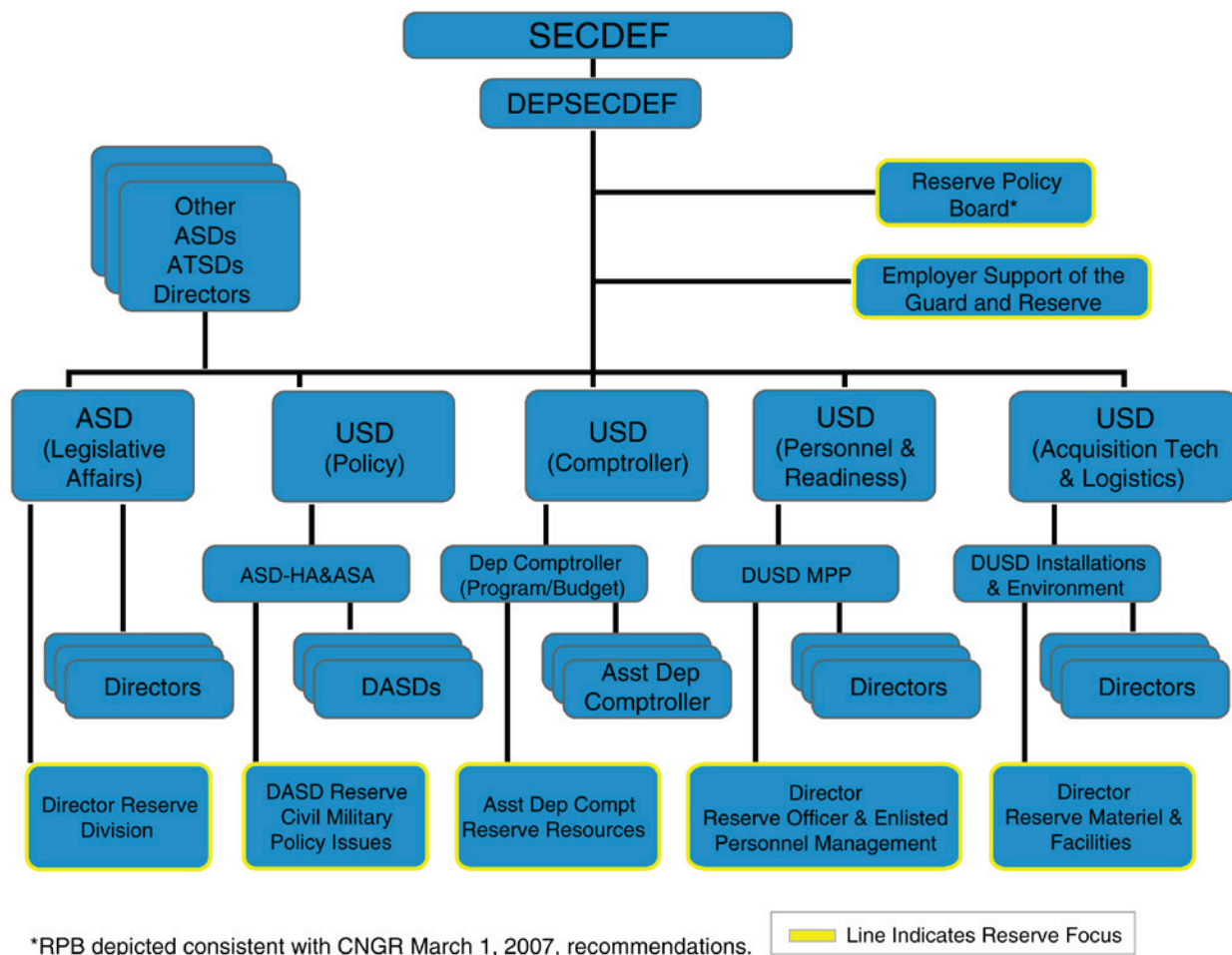


Figure VI.5. One Possible Restructuring of OSD Staff

The Office of the Assistant Secretary of Defense for Reserve Affairs operates in isolation from functional managers elsewhere within the Office of the Secretary of Defense, does not have the legal mandate given to the service Secretaries and service Chiefs to manage the reserve components, is not optimally organized to manage the reserves for current and projected missions, has been hampered by changes in the organization of the Office of the Secretary of Defense subsequent to its creation, and exacerbates a tendency within the Office of the Secretary of Defense and the Joint Staff to bifurcate the handling of policy issues between active- and reserve-focused management structures.

**Finding:** The Office of the Assistant Secretary of Defense for Reserve Affairs operates in isolation from functional managers elsewhere within the Office of the Secretary of Defense and is not optimally organized to manage the reserves for their current and projected missions.



*REFORMING THE ORGANIZATIONS AND INSTITUTIONS  
THAT SUPPORT AN OPERATIONAL RESERVE*

**Recommendation:**

95. Congress should pass legislation eliminating the Office of the Assistant Secretary of Defense for Reserve Affairs. The Secretary of Defense should report to Congress on how responsibility for reserve issues currently managed by the ASD-RA will be addressed by the appropriate under secretary or assistant secretary assigned responsibility for corresponding active component issues, and whether any further legislation is needed to ensure that personnel working on reserve issues hold rank and have responsibilities commensurate with those of their counterparts who handle active component issues.

# COMMISSION VISION FOR THE TOTAL OPERATIONAL FORCE

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We believe that this report offers a starting point for a comprehensive reevaluation of the reserve components of this nation's military. It is clear that there is no reasonable alternative to continued increased reliance on the National Guard and Reserves, as part of a total operational force, for missions at home and abroad. The reforms that are needed to make this operational force feasible in the short term and sustainable in the long term are described in this report. We believe that implementing these reforms will move the nation toward an end state for the reserve components that best serves the interests of national security and toward the future that we envision.

## VISION STATEMENT

In the future, National Guard and Reserve service members will perform missions vital to U.S. national interests at home and abroad as part of a flexible, accessible, cost-effective operational force that retains a necessary strategic ability to surge.

The operational force will contain individuals and units from both the active and reserve components. The reserve component portion will be organized, resourced, equipped, and trained to achieve in a timely manner the same operational standards as are required by the active components to perform their missions. The methods used to achieve these standards will vary according to each service's force generation process. The effects, however, will be the same—a single operational standard and maximum predictability for members, families, employers, combatant commanders, and the services themselves.

National Guard and Reserve members often will know in advance when they are scheduled to leave their families and employers to complete operational missions. They also will be ready and able on short notice to lead DOD's efforts in support of civil authorities contending with natural or man-made disasters, particularly catastrophes. National Guard and Reserve members will be fully integrated into federal, state, and local emergency response plans, along with active component members and units. In most instances in the homeland, all military forces will deploy in support of, and under the direction of, a state governor. National Guard and Reserve forces will constitute a majority of the personnel at U.S. Northern Command and other commands responsible for the homeland.

The services will use best practices in managing reserve military personnel as part of an integrated total force. Those personnel will serve under the terms of a commitment mutually agreed on by themselves and their service, be compensated through a system that recognizes their unique skills, be provided the professional and educational opportunities necessary to develop needed skills, be promoted on the basis of their competency to perform those skills, and be rewarded for their service through a retirement system—integrated with that of the active component—that provides incentives for service and removes barriers to continued service which will draw on their skills and abilities. There will only be two duty statuses—off duty or on duty—with service members able to move between them with the swipe of an ID card.

All service members will have opportunities to serve in a continuum spanning a range of missions and time commitments. Whether serving in the active components or in either of the two reserve component categories (Operational Reserve Force and Strategic Reserve Force), their annual obligations, scheduled activations, and availability to be involuntarily activated for crisis will be well-

defined and clearly understood. Their transitions between the categories will be administratively easy and motivated by the individual circumstances of their careers and families, and by a system of compensation and incentives that reflect the services' requirements. The management of their service will be based on the workload and capability needed to perform a mission, and on their contractual obligation to perform that mission, not on an authorized end strength.

National Guard and Reserve members will have the opportunity to thrive in their civilian careers, and will serve as a vital link between the military and civil society in their home communities across America. They will be afforded the joint education and assignment opportunities required for promotion to senior ranks, and will be found in all echelons of military leadership, including on senior joint staffs, at the four-star rank, and in combatant commands, because their civilian-acquired skills, joint educational training, familiarity with state and local government leaders and institutions, and command experience will often make them the best-qualified candidates to lead.

Families and employers will support their guardsmen and reservists on predictable and sustainable deployments. DOD will recognize the important role employers play in recruiting and retention decisions and will seek a closer working relationship—a compact—with them. Families will be supported by a robust network of services that ensures they receive the appropriate level of assistance when needed, regardless of where they live and with which unit or service they are affiliated. Service members returning home will be provided the medical and reintegration services they need for themselves and their families and will find ready access to other help from the government and other sources.

All service members, regardless of their component, will have the equipment and support they need to train for and accomplish their missions, and the nation will continue to have assured access to National Guard and Reserve capabilities on a sustainable basis.

Ultimately, the reserve components will be fully integrated with the active components, across a spectrum of missions and levels of commitment, during peacetime, wartime, domestic emergencies, and homeland defense missions, in the Army, Navy, Air Force, Marine Corps, and Coast Guard. Members will serve without separate “reserve” designation. It will not be efficient or necessary to manage the Title 10 reserve components as separate entities; they will instead be a vital component of a totally integrated force providing the United States with the military capability it requires.

## APPENDIX 1. ADDITIONAL VIEWS OF COMMISSIONER E. GORDON STUMP

I strongly disagree with the Commission's Recommendation #94. I do not agree that the Directors of the Army and Air National Guard have dual reporting responsibilities—reporting to their respective Chiefs of Staff and to the Chief of the National Guard Bureau for non-federal National Guard matters. Having them report separately and directly to their respective service Chiefs would, in my view, destroy the National Guard Bureau while at the same time failing to provide greater service integration than already exists.

The Directors of the Army and the Air National Guard are fully integrated into Army and Air Force processes. They participate in almost every service three-star-level forum that exists. They are represented by Army and Air National Guard officers under their immediate command who are embedded inside the Army and Air Force staffs and who help ensure the infusion of the National Guard's perspective at multiple levels in those services.

The Directors of the Army and the Air National Guard execute their legal duty to assist the Chief of the National Guard Bureau in executing his statutory responsibilities and the chartered functions of the National Guard Bureau. By law, the responsibility for service integration is formally vested in the Chief of the National Guard Bureau. However, in practice, he delegates nearly all interactions in that area to the Directors of the Army and Air National Guard.

The Director of the Air National Guard, for example, is included in all Air Force Headquarters four-star-level forums. In addition to participating in "Corona" meetings, at which Air Force senior leaders meet for frank, open discussions and decision making three times a year, he is a member of the Air Force Council and participates in Mobility Air Forces and Combat Air Force meetings. There are no known senior-level Air Force forums in which the director is not included.

Similarly, the Director of the Army National Guard is a full participant in Army forums at the three- and four-star level, including the Army Campaign Plan, the Quadrennial Defense Review, and the Director of the Army Staff (DAS) Synchronization Meetings, as well as the Chairman's Reserve Component Conference. He also participates in the Army Family Readiness Advisory Council and the Army Reserve Forces Policy Committee. As is true of the Director of the Air National Guard, there are no known senior-level leadership activities into which the Director of the Army National Guard is not integrated.

If this recommendation were implemented, the directors, instead of the Chief of the National Guard Bureau, would be responsible for the following functions laid out in the National Guard Bureau Charter:

1. Implementing Departmental guidance on allocation of unit structure, strength authorizations, and other resources to the Army National Guard of the United States and the Air National Guard of the United States.
5. Planning and administering the budgets for the Army National Guard of the United States and the Air National Guard of the United States
10. Issuing, with the coordination and approval of the service concerned, directives, regulations, and publications consistent with approved policies of the Army and Air Force, as appropriate.

These functions are the central elements of the National Guard Bureau's role. While, on the surface, these functions concern the structure, funding, and governance of the National Guard as a reserve component of two separate armed services, the orchestrated execution of these functions under a single responsible Chief provides coherence for the states and consistency for individual Army and

Air national guardsmen. Perhaps most importantly this unified responsibility provides synergy, efficiency, and unity of vision and leadership, which are essential to the health and capability of a force so frequently relied upon for the domestic security of the states and the nation. They are essential enablers for National Guard Bureau Charter Function 12, quoted below, which deals not only with the employment of the National Guard as a federal reserve component but frequently in recent years as a federally coordinated and resourced, but state-commanded, force to respond to emergencies here in the homeland.

12. Facilitating and coordinating with the Departments of the Army and the Air Force the use of National Guard personnel and resources for contingency operations, Military Operations Other Than War, natural disasters, Military Support to Civil Authorities, and special events.

Removing these key charter duties from the Chief of the National Guard Bureau's purview significantly reduces his authority and impairs his ability to perform duties in support of the States as well as the military services. It would leave him the responsibilities related to overseeing the training and administration of the National Guard for federal missions but remove those related to the actual use of the National Guard as a federal force.

If this recommendation were implemented, and if the Chief of the National Guard Bureau was subsequently to disagree with the Air or Army Guard Director, then, because of his new more limited responsibilities, his only appeal would be through the Chairman of the Joint Chief of Staff to the Secretary of Defense.

Breaking off the Directors of the Army and Air National Guard from the National Guard Bureau for Title 10 responsibilities would shatter the unified strength of the voice of the National Guard Bureau and thereby weaken its ability to serve as an advocate for the Army and the Air National Guard both within the broader Department of Defense and within the services. It also would prevent the National Guard Bureau from serving as a voice and advocate for the states inside the nation's federal military structure. The value of this voice to the nation is indisputable in the post-9/11 world.

This recommendation is also inconsistent with the Commission's March recommendation that the position of the Chief of the National Guard Bureau be elevated from lieutenant general to general. Such elevation to a higher grade makes complete sense for a position whose holder has responsibility for the integration of two service reserve components as well as a host of emerging joint functions pertaining to homeland defense and support to civil authorities in a new era of military conflict. It makes no sense, however, for an officer who no longer supervises the directors for Title 10 functions and has no budget authority or say on force structure allocation for the Army or Air National Guard.

If implemented, this recommendation would be harmful to the operation of the National Guard Bureau and detrimental to the efficient and integrated management of the largest portion of the nation's Selected Reserve force.

For the above reasons, I do not agree with Commission Recommendation #94.

E. Gordon Stump



## APPENDIX 2. HOMELAND SECURITY AND THE RESERVE COMPONENTS

In addition to their responsibilities in backing up the active component mission overseas, the reserve components play a vital operational role on the homeland. Department of Defense operations in the homeland contribute to homeland security in two ways: by performing homeland defense missions and by providing civil support.<sup>1</sup> Homeland defense is the military defense of the homeland, while civil support is DOD support to other agencies in the performance of their mission. Civil support missions are often performed in support of homeland security operations, which are generally led by the Department of Homeland Security and the Federal Emergency Management Agency. “Homeland security” is not synonymous with “homeland defense”; rather, homeland security refers both to protecting the homeland against terrorism and to performing other non-terrorism-related DHS functions.<sup>2</sup>

### *Homeland Defense, Homeland Security, and Civil Support*

In order to understand how the federal government protects the homeland, it is important to have a clear definition of homeland defense, homeland security, and civil support.

- **Homeland defense** is defined as “the protection of U.S. sovereignty, territory, domestic population, and critical defense infrastructure against external threats or aggression, or other threats as directed by the President.”<sup>3</sup>
- **Homeland security** is defined as “a concerted national effort to prevent terrorist attacks within the United States, reduce America’s vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.”<sup>4</sup> The statutory definition of homeland security also includes the “carry[ing] out [of] all functions of entities transferred to the Department [of Homeland Security], including by acting as a focal point regarding natural and manmade crises and emergency planning.”<sup>5</sup>
- **Civil support** is defined as “DoD support, including the use of Federal military forces, the Department’s career civilian and contractor personnel, and DoD agency and component assets, for domestic emergencies and for designated law enforcement and other activities.”<sup>6</sup>

A key responsibility of the reserve components, particularly the National Guard, is supporting civil authorities. While “civil support” encompasses a variety of potential missions, such as support to law enforcement and emergency response, the most important homeland mission of National Guard and Reserve units is saving lives and protecting property following a disaster. Their role in this area is indispensable, but it is important to remember that they represent only one part of the nation’s capacity to prepare for and respond to disasters and emergencies.

State and local government, including the National Guard, plays a critical, frontline role in managing the response to natural disasters, terrorist attacks, and other domestic incidents. Should the

1 *National Strategy for Homeland Security* ([Washington, DC: Office of Homeland Security], 2002), p. 13.

2 *Strategy for Homeland Defense and Civil Support* ([Washington, DC: Department of Defense], 2005), pp. 5–6.

3 *Strategy for Homeland Defense and Civil Support*, p. 5.

4 *National Strategy for Homeland Security* ([Washington, DC: Office of Homeland Security], 2007), p. 2.

5 6 U.S.C. §111(b)(1)(D).

6 *Strategy for Homeland Defense and Civil Support*, pp. 5–6.

response to a disaster require additional assistance, an array of players are available to assist. But for purposes of discussing the reserve components' role in emergency response, several of these players are key.

**State and local government** will provide a substantial portion of the response capabilities. These governments will operate under the state's emergency plan and in their response will bring to bear the full resources under their power. Among these resources are law enforcement, fire departments, public health services, public works, and environmental agencies. The state can also be expected to use its National Guard, which plays a leading role in state emergency response and is commanded by the state's governor unless federalized.<sup>7</sup> In addition, National Guard resources from other states and territories may be used through the employment of an Emergency Management Assistance Compact (EMAC).<sup>8</sup>

**National Guard** personnel may operate under three different statuses: state status, state control and funding; Title 32 status, state control and federal funding; and Title 10 status, federal control and funding. While in state or Title 32 status, the National Guard operates under the command and control of the governor in accordance with state laws. The National Guard operating in state status is generally the "first military responder" to domestic incidents. As the DOD *Strategy for Homeland Defense and Civil Support* notes, the National Guard is particularly well-suited to this role. It is "forward deployed" in 3,200 communities across the country, is readily accessible to state authorities, routinely exercises with law enforcement and first responders, and is "experienced in supporting [local] communities in times of crisis."<sup>9</sup> When National Guard units are placed in Title 10 status, they, like other Title 10 forces, are restricted by the Posse Comitatus Act.<sup>10</sup> The National Guard, acting in state or Title 32 status, represented approximately 50,000 of the 72,000 troops that deployed in response to Hurricane Katrina.<sup>11</sup>

The **National Guard Bureau** (NGB) is neither a reserve component nor an operational command. Instead, it coordinates between DOD and the several states and territories on matters pertaining to the National Guard. It also prescribes the discipline and training requirements for the Army National Guard (ARNG) and the Air National Guard (ANG); ensures that units and members of the ARNG and ANG are trained by the states in accordance with programs, policies, and guidance from the Secretaries of the Army and Air Force and the Chief of the National Guard Bureau; and facilitates and supports the training of members and units of the National Guard to meet state requirements.<sup>12</sup> Since the terrorist attacks of 9/11, the NGB has taken on the responsibility of coordinating the movement of National Guard forces in Title 32 status; once in state, they are commanded by the governor.<sup>13</sup>

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7 *National Response Plan* ([Washington, DC: Department of Homeland Security], 2004), p. 8.

8 GAO, "Emergency Management Assistance Compact: Enhancing EMAC's Collaborative and Administrative Capacity Should Improve National Disaster Response," GAO-07-854 (Report to the Committee on Homeland Security and Governmental Affairs), June 2007, p. 1.

9 *Strategy for Homeland Defense and Civil Support*, p. 35.

10 Joint Chiefs of Staff, "Homeland Security," Joint Publication 3-26, August 2, 2005, p. II-13.

11 Senate Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina: A Nation Still Unprepared*, 109th Cong., 2nd sess., May 2006, p. 476.

12 10 U.S.C. §10503; see also Joint Chiefs of Staff, "Homeland Security," p. II-13.

13 "National Guard Bureau Joint Staff Manual" [Draft] ([Arlington, VA: National Guard Bureau], 2004), p. M-8. As noted, states may use the Emergency Management Assistance Compact (EMAC) to obtain National Guardsmen from other states. But as the response to Katrina showed, the EMAC process is unworkable for the large-scale movement of troops; states therefore would be likely to rely instead on the NGB to coordinate the movement of troops (Senate Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina: A Nation Still Unprepared*, pp. 507-8).

The **Department of Homeland Security (DHS)** is the lead federal agency for homeland security. Homeland security is defined as “a concerted national effort to prevent terrorist attacks within the United States, reduce America’s vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.”<sup>14</sup> The statutory definition of homeland security also includes the “carry[ing] out [of] all functions of entities transferred to the Department [of Homeland Security], including by acting as a focal point regarding natural and man-made crises and emergency planning.”<sup>15</sup>

The **Federal Emergency Management Agency (FEMA)** is the component agency of the Department of Homeland Security designated to coordinate the federal response to domestic incidents. In accordance with the Post-Katrina Emergency Management Reform Act of 2006, which enacted changes to the Homeland Security Act, FEMA is now tasked with leading the nation’s emergency management efforts.<sup>16</sup>

DHS and FEMA manage domestic incidents through the **National Response Plan (NRP)**, which constitutes the national approach to domestic incident management. In the event of a catastrophic disaster, the NRP is the architecture around which the federal response (including the response by the reserve components) is organized. Its base plan, along with its various annexes and appendixes, describes the structure and processes of the nation’s approach to domestic incident management; it is designed to integrate the responses of federal, state, and local governments across the nation in response to domestic incidents.<sup>17</sup> The NRP recognizes that incidents are generally managed at the lowest possible jurisdictional level.<sup>18</sup> Therefore state and local chief executives, including governors and mayors, are “responsible for coordinating . . . resources to address the full spectrum of actions to prevent, prepare for, respond to, and recover from [domestic] incidents[.]”<sup>19</sup> The NRP is currently being revised by DHS and FEMA and will be replaced by the **National Response Framework**, which is in draft form as of the date of this report.<sup>20</sup>

The **Coast Guard** is a military service located in the Department of Homeland Security. The Coast Guard protects the U.S. maritime domain and conducts emergency response operations.<sup>21</sup>

**Federal agencies** may play coordinating, primary, or supporting roles, as determined by their authorities and capabilities and by the nature of the specific domestic incident. Federal interagency assistance is coordinated through the 15 Emergency Support Functions (ESFs) of the National Response Plan, which are organized by subject area (e.g., Transportation, Communications, Resource Support).<sup>22</sup> In ESF-1, Transportation, for instance, the Department of Transportation, as coordinating agency, integrates emergency management of the transportation system during an emergency. In addition, DOT is the primary agency for ESF-1 and, in that capacity, manages the provision of federal and civil transportation services in support of federal, state, and local governments. ESF-1 also has 10 supporting agencies that assist the operations of the ESF using their own capabilities. For example, the General Services Administration supports ESF-1 by assisting in the contracting of government

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14 *National Strategy for Homeland Security* (2007), p. 3.

15 6 U.S.C. §111(b)(1)(D).

16 6 U.S.C. §313 (b)(1). There are some exceptions to this tasking that are beyond the scope of this discussion.

17 *National Response Plan* (2004), p. xi.

18 *National Response Plan* (2004), p. 4.

19 *National Response Plan* (2004), p. 8.

20 *National Response Framework (Draft)* ([Washington, DC: Department of Homeland Security], 2007).

21 Joint Chiefs of Staff, “Homeland Security,” p. II-13.

22 *National Response Plan* (2004), pp. 10, ESF-i to ESF-iv. As of this writing, the *National Response Framework*, the successor to the *Emergency Response Plan*, is still in draft form; see “Introducing: National Response Framework,” Department of Homeland Security Web site, September, 2007 ([www.fema.gov/pdf/emergency/nrf/about\\_nrf.pdf](http://www.fema.gov/pdf/emergency/nrf/about_nrf.pdf)).

services.<sup>23</sup> The draft National Response Framework also organizes federal interagency support through Emergency Support Functions.<sup>24</sup>

The Department of Defense provides defense support of civil authorities (DSCA) to federal agencies and to state and local governments in response to requests for assistance during domestic incidents.<sup>25</sup> DSCA, also referred to more generically as “civil support,” is “DoD support, including [the use of] Federal military forces, the Department’s career civilian and contractor personnel, and DoD agency and component assets, for domestic emergencies and for designated law enforcement and other activities.”<sup>26</sup>

The Department of Defense, as the NRP notes, has “significant resources” that may be available to support the response to a domestic incident.<sup>27</sup> Reflecting its vital role, DOD is a supporting agency to all 15 ESFs in the NRP and to 14 of the 15 ESFs in the draft NRF.<sup>28</sup> In addition, although disaster support is the most visible type of civil support, there are a number of other situations in which DOD may be called on to provide support, such as counterterrorism operations and support to law enforcement.<sup>29</sup>

For defense support of civil authorities, the **Secretary of Defense** has the authority to approve the use of military personnel, units, supplies, and equipment. The Secretary also is responsible for providing overall policy and oversight for DSCA in the event of a domestic incident. Within the Office of the Secretary of Defense, the **Assistant Secretary of Defense for Homeland Defense and Americas’ Security Affairs (ASD-HD&ASA)** provides overall supervision for DSCA.<sup>30</sup>

U.S. **Northern Command (NORTHCOM)** is the combatant command responsible for defense support of civil authorities throughout the continental United States, Canada, and Mexico.<sup>31</sup> NORTHCOM has few forces permanently assigned to it and provides DSCA primarily through its subordinate and service-specific commands, such as Joint Task Force Civil Support, Army North, and Air Force North.<sup>32</sup> Title 10 forces for civil support missions are provided by U.S. **Joint Forces Command (JFCOM)** in the same way that it provides forces for other combatant commands.<sup>33</sup>

**Reserve component forces** are an “essential part of the [homeland security] operational force.”<sup>34</sup> The **National Guard** is obviously a key component of emergency response; the other reserve components

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23 “Emergency Support Function #1—Transportation Annex,” in *National Response Plan* (2004), pp. ESF #1-1 to ESF #1-5.

24 *National Response Framework (Draft)*, p. ESF-i.

25 *National Response Plan* (2004), p. 41.

26 *Strategy for Homeland Defense and Civil Support*, pp. 5–6.

27 *National Response Plan* (2004), p. 10; *National Response Framework (Draft)*, Glossary and Acronyms, p. 4.

28 *National Response Plan* (2004), p. ESF-v. An important side note is “immediate response authority,” under which local commanders can act to save lives, prevent human suffering, or mitigate great property damage (Joint Chiefs of Staff, “Homeland Security,” p. IV-1; *National Response Framework (Draft)*, p. ESF-v).

29 Joint Chiefs of Staff, “Homeland Security,” pp. IV-4 to IV-7.

30 Joint Chiefs of Staff, “Homeland Security,” p. II-5.

31 Joint Chiefs of Staff, “Homeland Security,” p. II-7. U.S. Pacific Command (PACCOM) and U.S. Southern Command (SOUTHCOM) perform analogous roles for U.S. territory within their areas of responsibility (Joint Chiefs of Staff, “Homeland Security,” pp. II-9 to II-11).

32 General Victor E. Renuart, Jr., U.S. Air Force, Commander North American Air Defense Command and US Northern Command, prepared statement before the Senate Committee on Homeland Security and Governmental Affairs, Hearing on the Military’s Role in Disaster Response, 110th Cong., 1st sess., July 19, 2007, p. 2; “About USNORTHCOM,” U.S. Northern Command Web site ([www.northcom.mil/About/index.html](http://www.northcom.mil/About/index.html)).

33 Joint Chiefs of Staff, “Homeland Security,” p. II-11.

34 Joint Chiefs of Staff, “Homeland Security,” p. II-11.

also provide vital capabilities, including military police, medical expertise, and chemical decontamination, to civil support missions.<sup>35</sup>

### *The Defense Department's "Active, Layered Defense" for the Homeland*

The Department of Defense's approach to homeland defense and civil support is guided by the concept of an "active, layered defense." The strategy focuses on four strata: the forward regions, the approaches, the global commons, and the homeland. DOD's objective in the *forward regions*—foreign lands, airspace, and waters—consists of deterring and preventing attacks. Its objective for the *approaches*—the means of access from the forward regions to the homeland, including Canadian and Mexican territory and those waters and airspace contiguous to the homeland—consists of detecting, deterring, and defeating threats en route to the United States. For the *global commons*—international waters and airspace, space beyond Earth's atmosphere, and cyberspace—DOD's objective is to continue to be able to operate effectively within it. Finally, in the *homeland* DOD focuses on deterring and defeating direct attacks on the United States, supporting civilian law enforcement and counterterrorism activities, and supporting civil authorities by providing critical chemical, biological, radiological, nuclear, and high-yield explosives (CBRNE) consequence management capabilities.<sup>36</sup>

The homeland and its approaches are the realm of homeland defense and civil support, while more traditional military strategy centers on the forward regions and the global commons. According to DOD's *Strategy for Homeland Defense and Civil Support*, the Department has five objectives in the homeland and its approaches. In order of priority, they are

- Achieve Maximum Awareness of Threats.
- Deter, Intercept, and Defeat Threats at a Safe Distance.
- Achieve Mission Assurance.
- Support Consequence Management for CBRNE Mass Casualty Attacks.
- Improve National and International Capabilities for Homeland Defense and Homeland Security.<sup>37</sup>

The first three objectives represent more traditional military missions that fall under the homeland defense umbrella, in which DOD acts as the lead agency.<sup>38</sup> In fulfilling the final objective, DOD plans to improve interagency planning and interoperability, as well as its ability to function alongside federal, state, and local partners to improve its capacity to provide defense support to civil authorities. This objective also involves strengthening security cooperation with other countries.<sup>39</sup> While the objective emphasizes the importance of cooperation with civil authorities, much of what constitutes civil support appears to fall outside of it.<sup>40</sup>

Chemical, biological, radiological, nuclear, and high-yield explosives consequence management is a key civil support responsibility for DOD. The Joint Staff defines CBRNE consequence manage-

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35 *Strategy for Homeland Defense and Civil Support*, p. 35. In 2006, a Center for Strategic and International Studies report noted that "although the [strategy] outlines a number of areas where National Guard and Reserve forces could contribute to the protection of the homeland, it provides neither a detailed nor a definitive statement of how" (Christine E. Wormuth, Michèle A. Flournoy, Patrick T. Henry, and Clark A. Murdock, *The Future of the National Guard and Reserves: The Beyond Goldwater-Nichols Phase III Report* [Washington, DC: Center for Strategic and International Studies, 2006], p. 63).

36 *Strategy for Homeland Defense and Civil Support*, pp. 10–13.

37 *Strategy for Homeland Defense and Civil Support*, p. 15.

38 *Strategy for Homeland Defense and Civil Support*, p. 14.

39 *Strategy for Homeland Defense and Civil Support*, pp. 32–34.

40 *Strategy for Homeland Defense and Civil Support*, pp. 32–33.



ment in the homeland as “those actions taken to maintain or restore essential services and manage and mitigate problems resulting from disasters and catastrophes, including natural, manmade, or terrorist incidents. CBRNE-CM may include measures to restore essential government services, protect public health and safety, and provide emergency relief to affected governments, businesses, and individuals.”<sup>41</sup> In the event of a catastrophic CBRNE incident, DOD can be expected to assist in responding to the massive disruption of the “production and delivery of essential goods and services.” Potential missions are diverse and may include providing public safety and security, supporting public health, and responding to terrain and infrastructure contamination.<sup>42</sup> While not all CBRNE incidents will require a federal response, those that do will be coordinated through the National Response Plan, with DOD acting as or assisting the lead federal agency.<sup>43</sup> In addition, the affected state can be expected to respond massively, with the National Guard playing a major role. Many of the capabilities necessary to perform this role can be found in the National Guard Bureau’s “Essential 10” warfighting capabilities needed for every state that are inherent in National Guard units for Title 10 missions, but also essential for missions on the homeland.<sup>44</sup>

As stated in DOD’s *Strategy for Homeland Defense and Civil Support*, consequence management for CBRNE mass casualty attacks is the Department’s most important civil support objective.<sup>45</sup> This designation is reflected in DOD’s effort to ensure that appropriate units and force packages are available for the CBRNE domestic consequence management mission. The U.S. military organizes, trains, and equips forces primarily to conduct combat operations and considers the capability to conduct civil support missions inherent within its combat capabilities.<sup>46</sup> CBRNE-CM generally follows this policy, but does employ some dedicated civil support units.

DOD’s CBRNE consequence management units have been established throughout the country and continue to be made more robust. They consist of JTF-CS and 55 National Guard WMD-CSTs.<sup>47</sup>

- **NORTHCOM’s Joint Task Force Civil Support (JTF-CS)** is a standing joint task force, staffed by 160 personnel and commanded by a two-star Army National Guard general in Title 10 status, that plans and integrates DOD support for domestic CBRNE consequence management.<sup>48</sup> In the event of a domestic CBRNE incident, JTF-CS will deploy to the incident site to exercise command and control over federal military forces.<sup>49</sup>
- **National Guard Weapons of Mass Destruction Civil Support Teams (WMD-CSTs)** are 22-member National Guard units operating in Title 32 status. WMD-CSTs are tasked with identifying CBRNE agents or substances, assessing the consequences of the event,

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41 Joint Chiefs of Staff, “Chemical, Biological, Radiological, Nuclear, and High-Yield Explosives Consequence Management,” Joint Publication 3-41, October 2, 2006, p. I-2.

42 Joint Chiefs of Staff, “CBRNE Consequence Management,” pp. I-10 to I-11.

43 *Strategy for Homeland Defense and Civil Support*, p. 31. Some CBRNE incidents may not qualify as major disasters or catastrophes and will thus be able to be handled by state and local authorities; for those that do qualify, DHS, with DOD assistance, can be expected to lead the response (Peter Verga, Acting Assistant Secretary of Defense for Homeland Defense and Americas’ Security Affairs, Department of Defense, prepared statement before the Senate Committee on Homeland Security and Governmental Affairs, Hearing on the Military’s Role in Disaster Response, 110th Cong., 1st sess., July 19, 2007, p. 2).

44 National Guard Bureau, Office of Legislative Liaison, “National Guard Equipment Requirements: ‘Essential 10’ Equipment Requirements for the Global War on Terror,” March 16, 2006.

45 *Strategy for Homeland Defense and Civil Support*, pp. 18–19.

46 Joint Chiefs of Staff, “Homeland Security,” p. IV-2.

47 *Strategy for Homeland Defense and Civil Support* (2005), pp. 31–32; Assistant Secretary Verga, prepared statement, p. 3.

48 “Mission of JTF-CS,” Joint Task Force Civil Support Web site ([www.jtfcs.northcom.mil/pages/mission.html](http://www.jtfcs.northcom.mil/pages/mission.html)); Wormuth et al., *The Future of the National Guard and Reserves*, p. 70.

49 Assistant Secretary Verga, prepared statement, pp. 4–5.

advising on response measures, and assisting with requests for state and federal support. Congress has authorized 55 WMD-CSTs—one for every state and territory.<sup>50</sup>

There are also force packages and dual-missioned units manned, trained, and equipped for CBRNE-CM. These include the CERFPs, the CCMRFs, and the CBIRF.<sup>51</sup>

- **National Guard CBRNE Enhanced Response Force Packages (CERFPs)** are National Guard force packages created to assist local, state, and federal authorities in CBRNE consequence management and to fill the anticipated 6- to 72-hour gap between the first response and the federal response to a catastrophic incident. CERFPs combine four elements from existing National Guard units: search and extraction, decontamination, medical, and command and control.<sup>52</sup> They operate in state or Title 32 status, but may be federalized under “extraordinary circumstances.” There are 17 CERFPs, 12 of which are assigned to the 10 FEMA regions.<sup>53</sup>
- **CBRNE Consequence Management Response Forces (CCMRFs)** are three Title 10 force packages consisting of several thousand joint personnel from separate units identified and organized to perform CBRNE consequence management missions, with capabilities including medical, decontamination, communications, logistics, transportation, and public affairs.<sup>54</sup> The National Guard is currently designated to provide much of the manpower associated with the CCMRFs.<sup>55</sup>
- **Explosive Ordinance Disposal Teams** are Title 10 forces able to neutralize unexploded explosive devices such as improvised explosive devices (IEDs) and CBRNE weapons.<sup>56</sup> These units often make up parts of the CCMRFs.
- **U.S. Army Technical Escort Units** are Title 10 forces that specialize in removing, storing, and neutralizing ordinance, “chemical, biological, and other hazardous material.”<sup>57</sup> Some of these units make up parts of the CCMRFs.
- **U.S. Marine Corps Chemical-Biological Incident Response Force (CBIRF)** is a Title 10 unit consisting of several hundred personnel capable of “providing capabilities for agent detection and identification, casualty search and rescue, personnel decontamination, emergency medical care, and stabilization of contaminated personnel.”<sup>58</sup>

The remainder of the military can be used to provide support in a national crisis when called on. These forces are organized for combat, but many are deployable and would constitute a vital asset if a CBRNE incident should take place on the homeland.<sup>59</sup>

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50 Assistant Secretary Verga, prepared statement, pp. 3–4.

51 Assistant Secretary Verga, prepared statement, pp. 4–6; *Strategy for Homeland Defense and Civil Support*, pp. 31–32; and William Matthews, “Over Tasked?” *National Guard*, November 2006.

52 The Honorable Paul McHale, Assistant Secretary of Defense for Homeland Defense, prepared witness statement before the CNGR, Hearing on Homeland Defense/Homeland Security, May 3, 2006 ([www.cngr.gov/hearing503-4/McHale.pdf](http://www.cngr.gov/hearing503-4/McHale.pdf)), p. 7.

53 Assistant Secretary Verga, prepared statement, p. 4.

54 General Renuart, prepared statement, p. 10; Wormuth et al., *The Future of the National Guard and Reserves*, p. 70.

55 Memorandum for the Record (MFR), Commission site visit to U.S. Northern Command, Peterson Air Force Base, CO, November 20, 2007.

56 Assistant Secretary Verga, prepared statement, p. 5.

57 Assistant Secretary Verga, prepared statement, p. 5.

58 Assistant Secretary Verga, prepared statement, p. 5.

59 *Strategy for Homeland Defense and Civil Support*, pp. 31–32.



## APPENDIX 3. A GUIDE TO DIRECTORS OF HOMELAND SECURITY IN THE STATES AND TERRITORIES

*Excerpted from “A Guide to Directors of Homeland Security, Emergency Management, and Military Departments in the States and Territories of the United States,” A Report Prepared by the Federal Research Division, Library of Congress, under an Interagency Agreement with the Commission on the National Guard and Reserve, December 2007, Researchers Alice R. Buchalter and Patrick Miller, Project Manager Alice R. Buchalter. The full report is posted on the Commission’s Web site, [www.cngr.gov](http://www.cngr.gov).*

### OVERVIEW

In general, the states of the United States and its territories share much in common regarding the functions and responsibilities of the offices of emergency management, homeland security, and the state military. As table 1 indicates, more than half of the states (27) and territories (3) have some degree of jurisdictional overlap among emergency management, homeland security, and adjutant general departments. Of the 55 states and territories, 22 have merged emergency management and homeland security functions into one department. In four states that have separate emergency management and homeland security departments, there is a common director. In some states, the adjutant general’s functions incorporate those that are generally assigned to homeland security and/or emergency management directors. In eight of the 55 states and territories, the adjutant general heads the emergency management or homeland security department.

### *Common Functions/Responsibilities of Homeland Security and Emergency Management Departments*

Directors of emergency management and homeland security are generally tasked to prepare and maintain a comprehensive plan and program for emergency management or homeland security. This usually entails the implementation and administration of a statewide strategy for emergency management and homeland security. State directors also coordinate the emergency and homeland security activities of all state agencies, and coordinate with the emergency management/homeland security plans of the federal government and other states. Some states, like Florida, extend the coordination function to county and municipal governments, school boards, and private agencies that have an emergency management/homeland security role. Directors also coordinate the distribution of information and security warnings to state and local government and the public.

With regard to disaster and terrorist incident response, it is also the responsibility of directors to develop policies to train local, regional, and state officials in proper procedure. The terminology used to define the directors’ role in preventing and responding to both natural disasters and attack threats to persons and critical infrastructure in the various states and territories has a common thread. These entities share a common need to prevent and respond to acts of terrorism and other critical hazards. The key words used in state and territorial statutes and agency mission statements are: preparedness and training; prevention; prompt, effective emergency response and recovery; minimization of injury; and identification of areas vulnerable to disaster and emergency. A general directive for state directors could be summed up by the words *detect, deter, mitigate, and respond*.

### *Overlapping Functions*

In some states, the overlap between the emergency management and homeland security functions is evident in the allocation of responsibilities to the directors, or the chain of command, rather than in the bureaucratic structure of the departments. States that fit this category are:

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Alabama – Emergency management and homeland security are separate departments, but the director of emergency management is also the Assistant Director of Homeland Security for Emergency Preparedness and Response. The director is required by statute to “maintain liaison with and cooperate with major commanders of the armed forces within the state, and the State Military Department.”

Arizona – The director of emergency management is appointed by the adjutant general, and his or her responsibilities, as defined by statute, are subject to the approval of the adjutant general.

Idaho – The Bureau of Homeland Security and Disaster Emergencies is headed by a chief appointed by the adjutant general with the concurrence of the governor; the governor can also opt to appoint the adjutant general as chief of the bureau. The adjutant general serves as the governor’s authorized representative for emergency planning, preparedness, response, and recovery from all hazards.

Kentucky and Maryland – The positions of adjutant general and director of emergency management are held by two different persons, and their respective departments are separate; however, the emergency management director is accountable to the adjutant general.

Maine – The adjutant general is the commissioner of the Defense, Veterans and Emergency Management Department. He also serves as the governor’s official homeland security adviser.

Minnesota – The director of the Division of Homeland Security and Emergency Management is within the state’s Department of Public Safety. Under statute, only the functions and responsibilities of the State’s Division of Emergency Management are enumerated.

Missouri – The State Emergency Management Agency (SEMA) was created under statute “within the military division of the executive department, office of the adjutant general”; the adjutant general is the executive head of SEMA. Currently, a civilian is director of the agency.

Montana – The Division of Emergency Services (DES) is within the state’s Department of Military Affairs. DES serves as the lead agency for the state’s Homeland Security Task Force.

#### ***State Police Functions***

Some states have opted to assign emergency management and/or homeland security functions to their law enforcement/state police departments. In Florida, the director of the state’s Department of Law Enforcement, working closely with the Division of Emergency Management, is tasked to coordinate the state’s detection, prevention, preparation for, response to, and recovery from, acts of terrorism. In Michigan, the Director of State Police also serves as State Director of Emergency Management and as the state’s Homeland Security Director. In New Jersey, the State Police directs emergency management, and its Homeland Security Branch is tasked to “provide a continuing preventive level of homeland security and public safety through the coordination of statewide resources.” In 2006 the governor created an Office of Homeland Security and Preparedness to administer and supervise the state’s counterterrorism and preparedness efforts. Recognizing the potential overlap in functions between the state police and the newly created homeland security office, the governor’s executive order stipulates that although the state police will continue to operate the Office of Emergency Management, the police superintendent is to provide dual reporting to the attorney general and the director of the homeland security office on matters related to homeland security, preparedness, and the emergency management office.



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Table 1: Functions of State Directors

State/Territory	Combined EM/HS*	Separate EM & HS but Same Director	Adjutant General Directs EM and/or HS
Alabama			
Alaska	X		
Arizona			
Arkansas	X		
California			
Colorado		X	
Connecticut	X		
Delaware			
Florida			
Georgia		X	
Hawaii	X		X
Idaho	X		
Illinois			
Indiana	X		
Iowa	X		X
Kansas	X		X
Kentucky			
Louisiana	X		
Maine	X		
Maryland			
Massachusetts			
Michigan	X		
Minnesota	X		
Mississippi			
Missouri			
Montana		X	
Nebraska			X
Nevada			
New Hampshire	X		
New Jersey			
New Mexico	X		
New York			
North Carolina	X		
North Dakota	X		X
Ohio			
Oklahoma			
Oregon		X	
Pennsylvania			
Rhode Island	X		X
South Carolina			X
South Dakota			
Tennessee			
Texas			

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<b>Utah</b>	X		
<b>Vermont</b>			
<b>Virginia</b>			
<b>Washington</b>	X		X
<b>West Virginia</b>	X		
<b>Wisconsin</b>			X
<b>Wyoming</b>	X		
<b>American Samoa</b>			
<b>District of Columbia</b>	X		
<b>Guam</b>	X		
<b>Puerto Rico</b>			
<b>U.S. Virgin Islands</b>			X

\*EM = Emergency Management; HS = Homeland Security.

# APPENDIX 4. SELECTED RESERVE STRENGTH, BY STATE AND COMPONENT

	ARNG	USAR	USNR	USMCR	ANG	USAFR	USCGR	Total
ALABAMA	11,346	9,158	452	714	2,268	1,427	167	25,532
ALASKA	1,972	398	78	46	1,920	162	49	4,625
ARIZONA	5,313	2,241	951	511	2,483	1,255	3	12,757
ARKANSAS	8,316	4,319	173	181	2,019	196	0	15,204
CALIFORNIA	16,052	12,131	9,494	4,868	4,313	8,139	914	55,911
COLORADO	3,586	2,828	873	407	1,422	2,541	7	11,664
CONNECTICUT	3,293	1,008	464	256	1,079	2	110	6,212
DELAWARE	1,495	313	111	155	1,028	1,703	0	4,805
DIST. of COLUMBIA	1,268	1,648	1,874	390	1,149	246	121	6,696
FLORIDA	9,632	10,586	5,328	1,295	1,984	5,063	977	34,865
GEORGIA	10,420	8,299	2,197	1,302	2,690	3,237	103	28,248
GUAM	1,029	409	16	0	413	273	0	2,140
HAWAII	2,708	2,810	700	72	2,295	664	136	9,385
IDAHO	3,335	741	134	99	1,400	47	0	5,756
ILLINOIS	10,040	5,478	3,364	1,232	3,152	1,491	95	24,852
INDIANA	12,090	2,998	354	593	1,892	1,490	4	19,421
IOWA	7,525	2,175	145	160	2,041	0	9	12,055
KANSAS	5,644	3,958	137	202	2,102	483	24	12,550
KENTUCKY	7,175	4,007	298	271	1,193	4	93	13,041
LOUISIANA	8,837	2,306	2,532	1,116	1,459	1,754	163	18,167
MAINE	2,105	475	607	147	1,136	1	92	4,563
MARYLAND	5,077	4,268	2,300	406	1,797	1,837	214	15,899
MASSACHU-SETTS	6,115	3,307	380	831	1,929	2,647	466	15,675
MICHIGAN	9,094	2,958	1,030	1,213	2,776	666	177	17,914
MINNESOTA	11,330	6,537	739	398	2,320	1,433	26	22,783
MISSISSIPPI	9,591	2,076	990	161	2,571	1,589	128	17,106
MISSOURI	8,707	5,430	1,772	3,382	2,701	1,115	104	23,211
MONTANA	2,640	697	176	58	1,033	60	0	4,664
NEBRASKA	3,609	1,361	286	209	964	394	19	6,842
NEVADA	2,625	524	438	243	1,130	384	1	5,345
NEW HAMPSHIRE	1,720	692	112	174	948	1	15	3,662
NEW JERSEY	5,990	3,316	954	603	2,308	2,726	229	16,126
NEW MEXICO	3,026	388	273	78	961	259	0	4,985
NEW YORK	9,582	8,334	1,982	1,866	5,918	1,341	577	29,600

APPENDIX 4. SELECTED RESERVE STRENGTH, BY STATE AND COMPONENT

<b>NORTH CAROLINA</b>	10,173	6,724	1,284	725	1,618	1,764	215	22,503
<b>NORTH DAKOTA</b>	3,235	264	90	34	939	45	0	4,607
<b>OHIO</b>	10,349	4,787	1,381	1,064	5,192	4,202	278	27,253
<b>OKLAHOMA</b>	7,604	2,340	558	346	2,296	1,898	21	15,063
<b>OREGON</b>	6,539	426	575	346	2,131	318	145	10,480
<b>PENNSYLVANIA</b>	14,657	9,320	2,282	1,846	4,099	1,652	171	34,027
<b>PUERTO RICO</b>	7,200	4,109	373	0	1,206	3	53	12,944
<b>RHODE ISLAND</b>	2,084	385	810	154	1,173	1	65	4,672
<b>SOUTH CAROLINA</b>	9,419	3,326	821	466	1,169	2,557	158	17,916
<b>SOUTH DAKOTA</b>	3,352	306	99	0	1,011	44	0	4,812
<b>TENNESSEE</b>	10,785	3,571	1,261	856	3,546	22	43	20,084
<b>TEXAS</b>	18,610	13,674	5,862	3,115	3,161	7,282	411	52,115
<b>UTAH</b>	5,231	2,444	411	241	1,530	1,610	0	11,467
<b>VERMONT</b>	2,655	185	53	0	914	1	18	3,826
<b>VIRGIN ISLAND</b>	736	0	0	0	59	0	8	803
<b>VIRGINIA</b>	7,665	6,003	5,421	1,279	1,779	1,687	576	24,410
<b>WASHINGTON</b>	6,019	5,375	2,327	534	2,030	2,543	437	19,265
<b>WEST VIRGINIA</b>	4,464	1,598	123	287	2,302	53	29	8,856
<b>WISCONSIN</b>	7,796	4,426	583	512	2,194	181	91	15,783
<b>WYOMING</b>	1,847	79	63	0	1,103	44	0	3,136
<b>OTHER</b>	0	2,366	3,842	3,113	8	609	35	9,973
<b>TOTAL</b>	352,707	189,882	69,933	38,557	106,254	71,146	7,777	836,256

Source: Defense Manpower Data Center (DOD), September 2007.

## APPENDIX 5. HISTORY OF THE RESERVE FORCES

From the time of the earliest American colonies through the global war on terror, ordinary citizens have served in our military in times of need. The National Guard, with roots in the earliest colonial militias—officially organized by the Massachusetts Bay Colony in 1636—is one of the nation’s longest-enduring institutions. The First Continental Congress called for the colonies’ governments to bolster their militias.<sup>1</sup> In 1775, the Second Continental Congress established a uniform table of organization and increased the legislature’s power to designate regimental officers. By then, the elected governors and legislatures were in place and were directing the militias, and the militias played a key role in winning independence for America. When George Washington raised the Continental Army, he had to call on 7,000 militiamen to fill out the ranks. They fought in nearly every major engagement during the Revolutionary War. They also constituted most of the troops who secured the pivotal victory at Saratoga in 1777, a success that persuaded the French to throw their support to the colonies.<sup>2</sup>

At the 1787 Constitutional Convention that followed independence, the new federal government’s military powers were deliberately divided, as were other aspects of government. In Article 1, Section 8 of the United States Constitution, the responsibilities given to the federal legislature are laid out. The so-called militia clauses vest in Congress the power to declare war, to raise and support armies, to provide for and maintain a navy, to regulate and make rules for the use of land and naval forces, and to call forth the militia to execute laws of the union, suppress insurrections, and repel invasions.<sup>3</sup> Most importantly, the Constitution explicitly sets boundaries for federal and state control of the militia, specifying that it is Congress’s duty “[t]o provide for organizing, arming, and disciplining, the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the states respectively, the appointment of the officers, and the authority of training the militia according to the discipline prescribed by Congress[.]”<sup>4</sup> The Constitution also divides federal military authority between the President and Congress. For instance, Congress alone has the power to call up the militia, but then the President acts as its commander in chief.<sup>5</sup> These federal powers are themselves curbed by the guarantees of the Second and Third Amendments, which respectively empower state militias and protect the population from being forced to quarter soldiers.

Beyond the legal structure set forth in the Constitution, the organization of the reserve components has been most strongly influenced by the willingness, or unwillingness, of the state and federal governments to provide the funds necessary to protect national security, and by how those funds have been allocated to the active and reserve components of the military. The trend of shifting funds to the reserve components began with the decline of the Federalist Party, which believed in a strong central government, and the rise of the opposing Democratic-Republican Party and President Thomas Jefferson. Under his administration, support for a large standing army waned markedly. President Jefferson slashed the budget of the standing Army and Navy to a third of its previous size, choosing instead to have the 525,000 militiamen throughout the states serve as the nation’s primary defense. When the United States again went to war with Britain in 1812, Congress authorized a regular army of fewer than 40,000 plus 50,000 volunteers, while more than 100,000 militiamen

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1 Michael Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard: A History of the Army National Guard, 1636–2000* (Washington, DC: Government Printing Office, 2001), p. 16.

2 John K. Mahon, *History of the Militia and the National Guard* (New York: Macmillan, 1983), pp. 35–41; Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, pp. 52–54.

3 U.S. Const. art. I, §8, cls. 11, 12, 13, 15.

4 U.S. Const. art. I, §8, cl. 16.

5 U.S. Const. art. I, §8, cl. 15, and art. II, §2; Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, p. 65.



were called to duty.<sup>6</sup> Because President James Madison's attempt to institute a federal draft was unsuccessful,<sup>7</sup> the military turned instead to volunteers and the state militias. In addition, the Navy relied on many "reservists" throughout the war.<sup>8</sup>

After the War of 1812, Congress made deep cuts to the regular Army, once again relying on militias and on the nation's physical isolation for defense.<sup>9</sup> In fact, in 1827 the House Committee on the Militia declared: "Removed as we are from every powerful nation, we may rely . . . under the benign dispensations of a protecting Providence on an inconsiderable regular army; a few durable fortifications; a considerable navy; a well organized and disciplined militia; good roads and other channels of communication to facilitate their marches, and the republic will stand erect among the nations for ages unlimited."<sup>10</sup>

Yet the state militias grew bloated, with more than 1.5 million men conscripted during the 1830s. A lack of proper equipment and public indifference weakened these forces.<sup>11</sup> In response, volunteer units were formed, trained, and equipped, and became a popular means for social advancement on the frontier and among immigrants.<sup>12</sup> During the Mexican-American War many of these volunteer militia units simply became federal volunteer units; they played a key role, providing most of the manpower for the conflict.<sup>13</sup> This military framework—a very limited federal force and state-level volunteers—remained in place until the Civil War.

Before the Civil War began, the standing Army contained only about 16,000 soldiers. The war created a pressing and immediate need for manpower (eventually more than 2.5 million men would serve in the Union Army).<sup>14</sup> When fighting broke out, President Lincoln called up 75,000 militiamen to serve for 90 days.<sup>15</sup> As it became clear that the nation was facing not a brief insurrection but a protracted conflict, Congress authorized a call for 500,000 volunteers. Many of these federal volunteer units were federalized militia units, organized on the state level.<sup>16</sup> Congress later requested more volunteers and then instituted the nation's first federal draft. However, opposition to the draft was widespread, and anti-draft disturbances occurred in a number of cities. In the end, only 8 percent of the 2.2 million people in the Union Army and Navy were draftees.<sup>17</sup> The war marked a great increase in the consolidation of federal power, as all of the Union forces were truly under the control of the federal government.

Many found military service unappealing after the long and bloody Civil War, and reenlistments plummeted in the militias as well as in the regular Army. Indeed, by 1865 fewer than one-third of all states had any viable militia system left, and it would take a decade to repair the damage. Mean-

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6 Mahon, *History of the Militia and the National Guard*, pp. 63, 67.

7 *The Oxford Companion to American Military History*, edited by John Whiteclay Chambers II (editor in chief), Fred Anderson, Lynn Eden, Joseph T. Glattharr, Ronald H. Spector, and G. Kurt Piehler (Oxford: Oxford University Press, 1999), p. 180.

8 Hill Goodspeed, "Navy Reserve History," March 4, 2005 (<http://navyreserve.navy.mil/Public/HQ/WelcomeAboard/MissionandHistory>).

9 Mahon, *History of the Militia and the National Guard*, p. 78.

10 Quoted in Mahon, *History of the Militia and the National Guard*, p. 78.

11 Mahon, *History of the Militia and the National Guard*, pp. 80–82.

12 Mahon, *History of the Militia and the National Guard*, pp. 83–86.

13 Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, p. 97.

14 Mahon, *History of the Militia and the National Guard*, p. 97.

15 Shelby Foote, *The Civil War: A Narrative*, 3 vols. (New York: Random House, 1958–74), 1:51.

16 Mahon, *History of the Militia and the National Guard*, pp. 98–107.

17 *The Oxford Companion to American Military History*, p. 135; Foote, *The Civil War*, 2:635–37; Hannah Fischer, "American War and Military Operations Casualties: Lists and Statistics," CRS Report RL32492 (updated June 29, 2007), p. 2.

while, federal troops were deployed throughout the South and on the western frontier, and were frequently used to enforce the law.<sup>18</sup> Public concern that such deployments were not a legitimate use of military power led to the passage in 1878 of the Posse Comitatus Act, which prohibited federal troops (with a few exceptions) from performing domestic law enforcement functions.<sup>19</sup> However, the act did not extend to the Coast Guard or to the state militias—some of which were now referred to as the National Guard—as they performed state-level duties.<sup>20</sup> The states thus could use their National Guard forces to provide their own civil security during a time of crisis.

As the power to employ ground forces domestically was being removed from the federal government, some legislators pushed for a federal naval reserve. A few states, including New York and Massachusetts, had their own naval militias.<sup>21</sup> Set up much like their Army counterparts, these naval militias were used primarily at the local and state levels, though they were called up for federal duty when needed—for example, the New York Naval Militia patrolled New York Harbor at the outbreak of the Spanish-American War in 1898.<sup>22</sup>

The Spanish-American War was the first large-scale military mobilization since the Civil War. The initial need for troops was met by a call for volunteers, who came largely from the ranks of the state militias.<sup>23</sup> Militiamen rode alongside the volunteer cavalry of Teddy Roosevelt’s “Rough Riders” and aided American success throughout the war.<sup>24</sup>

Though the Spanish-American War was a military victory, it exposed grave weaknesses in the training and readiness of the state militias. Fifty percent of militia members were unable to pass the Army’s physical exam, 40 percent had no drill experience, and many had never fired a weapon before the war began.<sup>25</sup> In order to address these problems, Secretary of War Elihu Root pushed strongly for an organized federal reserve to supplant the state militias as the main reserve for the regular Army. The states and their allies in Congress proposed an alternate plan to make the militias the primary federal reserve: the Militia Act of 1903 (known as the Dick Act), which funded and trained the state militias to federal standards and officially applied the term “National Guard” to the state militias. States could now procure weapons, maintain training facilities, and train jointly with the regular Army.<sup>26</sup> Continuing to seek a more active role for state-level forces, militia advocates in Congress also passed the Militia Act of 1908. This act required a federal call-up of state-level forces before a call for volunteers could be issued.<sup>27</sup> Finally, in that same year the Division of Militia Affairs (a precursor to the National Guard Bureau) was created to oversee the administrative requirements for training and equipping the militias as well as to serve as the go-between linking the War Department and the states.<sup>28</sup>

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18 Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, pp. 109–10.

19 45th Cong., Ch. 263; 20 Stat. 145, §15, June 18, 1878; 18 U.S.C. §1385.

20 Bonnie Baker, “Origins of Posse Comitatus,” *Air and Space Power Journal—Chronicles Online Journal*, November 1, 1999 ([www.airpower.maxwell.af.mil/airchronicles/cc/baker1.html](http://www.airpower.maxwell.af.mil/airchronicles/cc/baker1.html)).

21 Mark J. Denger, “California Naval History: The Genesis of the Naval Reserve,” The California State Military Museum ([www.militarymuseum.org/NavRes.html](http://www.militarymuseum.org/NavRes.html)).

22 “New York Naval Militia History,” November 22, 2004 (<http://dmna.state.ny.us/nynm/naval.php?id=about>).

23 Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, p. 129.

24 Mahon, *History of the Militia and the National Guard*, pp. 129–36.

25 Mahon, *History of the Militia and the National Guard*, pp. 126, 128.

26 Public Law 57-33, January 21, 1903; Daniel Gladman, *Total Force Policy and the Fighter Force* (Maxwell Air Force Base, AL: Air University Press, 2001), p. 4; Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, pp. 142–45.

27 Public Law 60-145, May 27, 1908; Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, p. 151.

28 William M. Donnelly, “The Root Reforms and the National Guard,” May 31, 2001 ([www.army.mil/CMH/documents/1901/Root-NG.htm](http://www.army.mil/CMH/documents/1901/Root-NG.htm)).

The rest of the reserve components were beginning to evolve as well. In 1908, Congress established the Army Reserve Medical Corps, a precursor to the Army Reserve.<sup>29</sup> That same year, aviation was introduced into the Guard by the First Aero Company, Signal Corps, of the New York National Guard. Initially built around hot-air balloons, the unit soon added airplanes to its capabilities.<sup>30</sup> With the passage of the Naval Militia Act of 1914, Congress placed the naval militias under the control of the Navy. In March 1915, Congress created a federal Naval Reserve force.<sup>31</sup> The following year, it authorized a federal Marine Corps Reserve force, whose structure was patterned on the Naval Reserve's.<sup>32</sup> Congress then passed the National Defense Act of 1916, which included the official formation of a federal reserve force and authorized guardsmen to serve in their state units as part of the regular army during war or national emergency.<sup>33</sup>

The results of this reserve component buildup—particularly of the National Guard—were shown during World War I, when the National Guard made up 40 percent of the nearly 3 million members of the American Expeditionary Forces deployed to Europe.<sup>34</sup> However, another draft had to be instituted to fill out the heavy manpower requirements. Nearly 75 percent of the 3.7 million troops who served in the war were drafted. Though many Americans had reservations about the war itself and particularly the draft, resistance was displayed in outright evasion and in legal challenges by individuals rather than through mass civil disturbances such as were seen during the Civil War. Most World War I conscripts served in the Army, supplying 72 percent of its forces.<sup>35</sup>

Following World War I, the National Defense Act of 1920 took a comprehensive approach to the reserve components. It established the National Guard as a reserve force for the Army and established a federal reserve force known as the “Organized Reserves.”<sup>36</sup>

In the years prior to World War II, there were calls to mobilize the National Guard and Reserves as well as to institute a peacetime draft. During that period, the standing Army of the United States had an end strength of just over 260,000.<sup>37</sup> In 1940 calls for more manpower were heeded, as reserve components began 12-month mobilizations within the Western Hemisphere and a peacetime draft was instituted.<sup>38</sup> Originally the Guard, Reserves, and draftees were marshaled for one year of training. After the Japanese attack on Pearl Harbor, the period of service was extended by Congress to

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29 James T. Currie and Richard B. Crossland, *Twice the Citizen: A History of the United States Army Reserve, 1908–1995*, 2nd ed. (Washington, DC: Office of the Chief, Army Reserve, 1997), p. 17.

30 Gladman, *Total Force Policy and the Fighter Force*, p. 5.

31 Public Law 63-57, *Naval Militia Act of 1914*, February 16, 1914; Goodspeed, “Navy Reserve History.”

32 Reserve Officers of Public Affairs Unit 4-1, *The Marine Corps Reserve: A History* (Honolulu: University of the Pacific, 2003), p. 4.

33 Public Law 64-85, June 3, 1916; Gladman, *Total Force Policy and the Fighter Force*, pp. 5–6; Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, p. 158.

34 National Guard Bureau, “About the National Guard,” 2007 ([www.ngb.army.mil/About/default.aspx](http://www.ngb.army.mil/About/default.aspx)).

35 “History and Records,” May 27, 2003 ([www.sss.gov/induct.htm](http://www.sss.gov/induct.htm)); *The Oxford Companion to American Military History*, pp. 181, 849.

The Selective Service Act of 1917 prohibited enlistment bounties and the hiring of substitutes, but it allowed deferments to men whose work in industry or agriculture was deemed essential. A ruling in 1918 upheld the draft as a legitimate exercise of constitutional powers. In *Arver v. United States*, Chief Justice Edward White wrote for the unanimous Supreme Court: “As the mind cannot conceive an army without the men to compose it, on the face of the Constitution the objection that it does not give power to provide for such men would seem to be too frivolous for further notice. . . . [T]he proposition simply denies to Congress the power to raise armies which the Constitution gives” (*Arver v. United States*, 245 U.S. 366 [1918]).

36 Public Law 66-242, June 4, 1920; Mahon, *History of the Militia and the National Guard*, pp. 171–72.

37 Mahon, *History of the Militia and the National Guard*, pp. 179–80.

38 Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, p. 197.

the duration of the war plus six months.<sup>39</sup> The Guard and Reserves were an integral part of the total mobilization. Over the course of the war, more than 16 million Americans served in the military, with more than 11 million in the Army, more than 4 million in the Navy, and more than 600,000 in the Marine Corps.<sup>40</sup>

This prodigious increase came primarily from citizen-soldiers. Guardsmen, reservists, wartime volunteers, and conscripts were all required to fill the enormous military manpower requirements in the largest conflict ever waged. While conscripts made up the vast majority of the Army during the war and contributed more than 10 million troops to the war effort,<sup>41</sup> three-quarters of all Navy personnel on active duty at the end of the war were reservists, and Marine Corps reservists composed 68 percent of the Marines' total force.<sup>42</sup> In addition, during the war Congress established a Coast Guard Reserve modeled on the Navy Reserve. Because of the extraordinary need to protect American ports during the war, more than 90 percent of the 214,000 coast guardsmen who served during the war were reservists.<sup>43</sup> These World War II deployments demonstrate the reserve components' vital importance to the nation during times of mass mobilization.

Yet the Guard and Reserves' institutional powers declined during the total mobilization, a time when unified, federal military authority was supreme. The National Guard Bureau effectively had no purpose during the war, as it had no authority over National Guard units in their federal role.<sup>44</sup>

The total mobilization of America during World War II was followed by a massive drawdown, even as the Cold War was getting under way. At the same time, the entire military was substantially reorganized. The National Security Act of 1947 established the United States Air Force under the new Department of Defense (which combined the old War and Navy departments).<sup>45</sup> In 1947 the National Guard Bureau was reorganized under the departments of the Army and Air Force to coordinate and administer the National Guard on the federal level.<sup>46</sup> As a part of these reorganizations, the new Secretary of Defense, James Forrestal, considered recommendations to merge the National Guard and Reserves into a single force. However, the Guard's supporters fought such proposals and Congress did not act on them.<sup>47</sup>

With the military much reduced after World War II, the draft was allowed to expire in 1947; but just one year later the new Cold War prompted its reintroduction by Congress.<sup>48</sup> The force—regular, reserve, and conscripted—was quickly put to the test at the outbreak of the Korean War. More than

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39 Frank N. Schubert, "Mobilization: The U.S. Army in World War II: The 50th Anniversary," CMH Pub 72-32 (U.S. Army Center of Military History, 1995), p. 17 (available at [www.army.mil/cmh-pg/documents/mobpam.htm](http://www.army.mil/cmh-pg/documents/mobpam.htm)); *The Oxford Companion to American Military History*, p. 181.

40 Fischer, "American War and Military Operations Casualties: Lists and Statistics," p. 3. Army figures include the Army Air Corps, the predecessor to the Air Force.

41 *The Oxford Companion to American Military History*, p. 181.

42 William Navas, "Integration of the Active and Reserve Navy: A Case for Transformational Change," *Naval Reserve Association* 51 (May 2004): 5; Reserve Officers of Public Affairs Unit 4-1, *The Marine Corps Reserve: A History*, p. 59.

43 "History of the Coast Guard Reserve," U.S. Coast Guard, January 2002 ([www.uscg.mil/hq/g-cp/history/CG\\_Reserve\\_History.html](http://www.uscg.mil/hq/g-cp/history/CG_Reserve_History.html)).

44 Mahon, *History of the Militia and the National Guard*, p. 186.

45 Public Law 80-343, *National Security Act of 1947*, July 26, 1947.

46 Army Regulation 130-5/AFMD 10, "Army National Guard: Organization and Functions of National Guard Bureau," December 30, 2001, p. 2.

47 Doubler, *Civilians in Peace, Soldiers in War—I Am the Guard*, p. 229.

48 *The Oxford Companion to American Military History*, p. 181.



## APPENDIX 5. HISTORY OF THE RESERVE FORCES

240,000 reserve soldiers were deployed throughout the Korean War,<sup>49</sup> and the reserves were an integral part of the U.N. effort on the peninsula. Additionally, 1.5 million conscripts served in Korea, primarily in the Army, constituting a large percentage of the nearly 6 million troops who fought in the conflict.<sup>50</sup> Heightening the reserves' importance in Korea was the poor state of America's ground forces. As a result of the country's swift return to a peace footing after World War II and its confidence in what was thought to be a protective nuclear umbrella, the force was largely manned by raw soldiers, ill prepared for the war. General Douglas MacArthur and President Harry Truman were therefore forced to call up the Army Reserve—composed of many World War II veterans—who managed to restore the Army's fighting form.<sup>51</sup>

Observing that the massive mobilization effort prompted by the sudden and unexpected advent of the Korean War was cumbersome and inefficient, Congress passed the Armed Forces Reserve Act of 1952. This legislation sought to correct many of the institutional deficiencies perceived in the Korean War mobilization and to ensure that a portion of the reserve force was always operationally ready. The act recast the reserve components' organizational structure and established the statutory underpinnings for the current reserve system as we know it today.<sup>52</sup> It set up the seven reserve components within the military departments, and required that members of these components be placed in one of three categories: the Ready Reserve, the Standby Reserve, or the Retired Reserve.<sup>53</sup>

In 1955, several amendments were made to the 1952 Armed Forces Reserve Act. Three changes were particularly important: the size of the Ready Reserve was increased to 2.9 million men, 1 million of whom could be mobilized by the President in the case of war or national emergency; the Selective Service System was extended to provide a guaranteed source of manpower; and all persons entering the armed services were obligated to a six-year commitment.<sup>54</sup> Then, in 1958, the National Guard Bureau was officially made a joint bureau of the Army and Air Force.<sup>55</sup>

As the Cold War continued, the importance of the reserve components diminished, largely because use of the draft persisted and—for the first time—the nation kept a large standing military. The new Cold War military was not put into operation without some trepidation. President Dwight Eisenhower cautioned in his farewell address, “This conjunction of an immense military establishment and a large arms industry is new in the American experience. . . . We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society.”<sup>56</sup> While the size of the nation's military has been reduced since the height of the Cold War, the United States has maintained this large-scale military establishment up to the present.<sup>57</sup>

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49 Office of the Chief of the Army Reserve, “Reserve History” ([www.armyreserve.army.mil/ARWEB/MISSION/History.htm](http://www.armyreserve.army.mil/ARWEB/MISSION/History.htm)).

50 *The Oxford Companion to American Military History*, pp. 181, 849.

51 Randy Pullen, “The Army Reserve in the Korean War” ([http://korea50.army.mil/history/factsheets/army\\_reserve.shtml](http://korea50.army.mil/history/factsheets/army_reserve.shtml)).

52 Public Law 82-476, *Armed Forces Reserve Act of 1952*, July 9, 1952 (66 Stat. 481–509).

53 10 U.S.C. §§12302, 12306, 12307.

54 Public Law 305, *Reserve Forces Act of 1955*, August 9, 1955 (69 Stat. 598).

55 Army Regulation 130-5/AFMD 10, “Army National Guard: Organization and Functions of National Guard Bureau,” p. 2.

56 Dwight Eisenhower, Farewell Address to the Nation, January 17, 1961 ([www.ourdocuments.gov/doc.php?flash=true&doc=90&page=transcript](http://www.ourdocuments.gov/doc.php?flash=true&doc=90&page=transcript)).

57 During the height of the Korean War in 1953, the U.S. military had an active duty end strength of 3.56 million troops (*The Report of the President's Commission on an All-Volunteer Armed Force* [New York: Macmillan, 1970], p. 36). The authorized end strength of both the active and Selected Reserve components is now just over 2.2 million troops (House Report 110-477, Conference Report to accompany H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, 100th Cong., 1st sess., December 6, 2007, §§401, 411).



Vietnam was the only conflict in American history that did not see extensive use of the reserve components. Draftees were used to meet the operational requirements of the Vietnam War. While only one-fifth of all forces in Vietnam were conscripts, more than 50 percent of the Army and an equal percentage of those killed in combat were draftees.<sup>58</sup>

The public's turn against both the draft and the war in Vietnam forced major changes in our armed forces. In 1970, the President's Commission on an All-Volunteer Armed Force (commonly referred to as the Gates Commission) recommended to President Nixon that the U.S. military transition from the mixed force of volunteers and draftees that had existed since 1948 to an all-volunteer force. Chaired by former Secretary of Defense Thomas Gates, the commission boasted prominent figures of the military, political, economic, academic, and civil rights spheres. Despite the diverse backgrounds of these strong personalities, the commission was unanimous in its recommendation that the United States should not rely on a regular draft for its military manpower.<sup>59</sup>

The crux of the Gates Commission's argument was that the draft levied a hidden tax on a small proportion of the American population, and that its actual costs were higher than the additional budgetary outlays (spread across the entire American population) which would be needed to pay for an all-volunteer force.<sup>60</sup> The report also found evidence that an all-volunteer force would result in better retention; greater manpower efficiency, because the number of new recruits who required training would be lower; a higher readiness level; greater freedom for American citizens, who no longer would face a draft; and recruits of a higher quality.<sup>61</sup>

Though the Gates Commission recommended an increase in basic pay as the simplest and easiest way to attract the numbers necessary to fill an all-volunteer force,<sup>62</sup> it also called for sweeping changes to other forms of military compensation and to the personnel management system within DOD. Among the suggested reforms were increased compensation for special skill sets, a unified military salary system in lieu of basic pay and allowances, and an overhaul of the military's retirement system (including an earlier vesting age, the offer of a contributory retirement system, and an age requirement to receive a pension).<sup>63</sup> At the same time, the commission recommended that terms of enlistment be relaxed, that those who enlist be given a wider choice of military occupations, and that civilians who have special skill sets valuable to the military be allowed lateral entry.<sup>64</sup> In the new setup envisioned by the Gates Commission, the manpower required by the military in wartime would come from three groups of people: the active duty military, the reserves, and a potential draft of civilians<sup>65</sup> (which requires young men to still register for the Selective Service).

While a number of the Gates Commission's recommendations were never implemented, President Nixon and Congress did begin to move the composition of the military to an all-volunteer force. Congress followed the commission's recommendation to enact large increases in pay, particularly for junior personnel. However, both Congress and the administration rejected many of its other proposals to change military compensation and personnel management. Instead, the House offered fringe benefits packages that the Gates Commission had argued against, such as higher allowances

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58 *The Oxford Companion to American Military History*, pp. 764–65.

59 *The Report of the President's Commission on an All-Volunteer Armed Force*, p. iii, viii–ix.

60 *The Report of the President's Commission on an All-Volunteer Armed Force*, pp. 8–9.

61 *The Report of the President's Commission on an All-Volunteer Armed Force*, pp. 30, 14, 16.

62 *The Report of the President's Commission on an All-Volunteer Armed Force*, p. 56.

63 *The Report of the President's Commission on an All-Volunteer Armed Force*, pp. 60–62.

64 *The Report of the President's Commission on an All-Volunteer Armed Force*, pp. 64–66.

65 *The Report of the President's Commission on an All-Volunteer Armed Force*, p. 120.

for quarters and dependents. Ultimately, the legislation that Congress passed and President Nixon signed into law ended the draft on July 1, 1973.<sup>66</sup>

The Gates Commission recommended that the reserves rather than drafted civilians should become the primary pool for supplementing the volunteers in the active duty military. That role signaled a stark change from the practice followed during the Vietnam War, when conscripts were put into the fight ahead of reservists. The number of draftees among the active duty forces during 1965 at the war's outset was 1.3 million.<sup>67</sup> By comparison, only 37,643 reservists were called up from 1968 to 1969.<sup>68</sup>

Today the United States no longer has a draft, and reservists have been mobilized more than 597,000 times since September 11, 2001.<sup>69</sup> In fact, the moment when the all-volunteer force was embraced can be seen as the nation's first concrete step toward an operational reserve. In rejecting the Vietnam-era paradigm, Congress and the Nixon administration ensured that in future conflicts reservists would be the first force called up when there was a need to supplement active duty volunteers; resorting to conscripts would require congressional authorization—a measure not taken since Vietnam.

In order to make the transition from reliance on draftees to an all-volunteer force, Congress had to increase outlays for military personnel.<sup>70</sup> Steps taken in part to offset those costs included reducing the funds available for DOD initiatives and converting thousands of military positions into civilian ones.<sup>71</sup> While these policies required that the reserve components be employed more frequently, they also created a standing, full-time, professional military. The active components were transformed from a collection of volunteers and draftees into permanent, full-time federal forces trained to the highest possible standards.

Another development in the early 1970s also laid the groundwork for current reserve use. Defense Secretary Melvin Laird outlined the military's Total Force Policy in an August 1970 memo. This policy, which was further developed by Defense Secretary James Schlesinger, sought to achieve a proper mix of active, Guard, and reserve assets to optimize the military's ability to respond to future threats.<sup>72</sup>

However, throughout the 1980s, the National Guard and Reserves remained a strategic force in reserve. They were resourced in keeping with a framework of "tiered readiness," according to which reservists were funded, equipped, and trained to a lesser readiness level than their active duty counterparts. Their role was to augment the active duty forces, who would be the first to deploy in theater. Plans called for them to receive additional training prior to their deployment to accomplish that mission.<sup>73</sup> That approach began to change in 1990–91, when the involuntary reserve call-up for Operations Desert Shield and Desert Storm affected 238,729 reservists. Additional involuntary activations continued throughout the 1990s and into the new century.<sup>74</sup>

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66 Bernard Rostker, *I Want You! The Evolution of the All-Volunteer Force* (Santa Monica, CA: Rand, 2006), pp. 90–96.

67 *The Report of the President's Commission on an All-Volunteer Armed Force*, p. 51.

68 Lawrence Kapp, "Reserve Component Personnel Issues: Questions and Answers," CRS Report RL30802 (updated January 26, 2007), p. 8.

69 Data provided by the Office of the Assistant Secretary of Defense for Reserve Affairs (OASA-RA), "Reserve Force Mobilization Statistics," September 30, 2007.

70 *The Report of the President's Commission on an All-Volunteer Armed-Force*, p. 8.

71 Rostker, *I Want You! The Evolution of the All-Volunteer Force*, pp. 172–73, 175.

72 Gladman, *Total Force Policy and the Fighter Force*, pp. 13–14.

73 *Evaluation of Support Provided to Mobilized Army National Guard and US Army Reserve Units* ([Washington, DC: Department of Defense, Office of the Inspector General], 2005), p. 2.

74 Kapp, "Reserve Component Personnel Issues: Questions and Answers," pp. 8–9.

As the Cold War ended, the active force downsized so that Americans could enjoy the so-called peace dividend; as a result, the country became more dependent on the capabilities placed within the reserve components. General Colin Powell, then Chairman of the Joint Chiefs of Staff, described this situation as the creation of a “base force”—a force of minimal size whose flexibility made it capable of meeting a wide array of threats.<sup>75</sup> As the United States shrank its forces, active duty end strength dropped from 2.2 million to 1.4 million, and the total number of service members in the reserve components fell from more than 1.8 million to just above 1.2 million.<sup>76</sup> Because this overall drawdown was not accompanied by a corresponding reduction in military commitments, the services were forced to rely more strongly on the reserve components, which in the 1990s were deployed alongside the active duty military in Somalia, Haiti, the Balkans, and other theaters.<sup>77</sup> Once again, America decided against placing all of its military strength in a large full-time professional force, choosing instead to depend heavily on the reserve components.

Such use of the reserve components has increased since the terrorist attacks of September 11, 2001. Because of the higher operational tempo of the global war on terror, the reserve components have borne an ever-increasing share of the nation’s defense. Reserve component personnel have been deployed by the federal government for numerous operations ranging from the global war on terror to homeland security to peacekeeping in Kosovo.<sup>78</sup>

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75 Rostker, *I Want You! The Evolution of the All-Volunteer Force*, pp. 654–55.

76 Defense Manpower Data Center (DOD), Information Delivery System, November 13, 2007; see *Strengthening America’s Defense in the New Security Environment*, Second Report to Congress, March 1, 2007 ([Arlington, VA: Commission on the National Guard and Reserves], 2007), p. 11.

77 Doubler, *Citizens in Peace, Soldiers in War—I Am the Guard*, pp. 352–54, 356.

78 National Guard, “2007 Posture Statement,” January 2007, pp. 12, 19.



**APPENDIX 6. AUTHORIZING LEGISLATION FOR THE  
COMMISSION ON THE NATIONAL GUARD  
AND RESERVES**

108th Congress  
Public Law 108-375  
As amended by  
109th Congress  
Public Law 109-163, Section 516  
And further as amended by:  
109th Congress  
Public Law 109-364, Section 529

**P.L. 108-375, SEC. 513 (AS AMENDED BY P.L. 109-163, SEC. 516).  
COMMISSION ON THE NATIONAL GUARD AND RESERVES.**

(a) ESTABLISHMENT.—There is established in the legislative branch a commission to be known as the ‘Commission on the National Guard and Reserves’.

(b) COMPOSITION.—(1) The Commission shall be composed of 13 members appointed as follows:

(A) Three members appointed by the chairman of the Committee on Armed Services of the Senate.

(B) Three members appointed by the chairman of the Committee on Armed Services of the House of Representatives.

(C) Two members appointed by the ranking minority member of the Committee on Armed Services of the Senate.

(D) Two members appointed by the ranking minority member of the Committee on Armed Service of the House of Representatives.

(E) Three members appointed by the Secretary of Defense.

(2) The members of the Commission shall be appointed from among persons who have knowledge and expertise in the following areas:

(A) National security.

(B) Roles and missions of any of the Armed Forces.

(C) The mission, operations, and organization of the National Guard of the United States.

(D) The mission, operations, and organization of the other reserve components of the Armed Forces.

(E) Military readiness of the Armed Forces.

(F) Personnel pay and other forms of compensation.

(G) Other personnel benefits, including health care.

(3) Members of the Commission shall be appointed for the life of the Commission. A vacancy in the membership of the Commission shall not affect the powers of the Commission, but shall be filled in the same manner as the original appointment.

(4) The Secretary of Defense shall designate a member of the Commission to be chairman of the Commission.

(c) DUTIES.—(1) The Commission shall carry out a study of the following matters:

(A) The roles and missions of the National Guard and the other reserve components of the Armed Forces.

(B) The compensation and other benefits, including health care benefits, that are provided for members of the reserve components under the laws of the United States.



APPENDIX 6. AUTHORIZING LEGISLATION FOR THE COMMISSION  
ON THE NATIONAL GUARD AND RESERVES

- (2) In carrying out the study under paragraph (1), the Commission shall do the following:
- (A) Assess the current roles and missions of the reserve components and identify appropriate potential future roles and missions for the reserve components.
  - (B) Assess the capabilities of the reserve components and determine how the units and personnel of the reserve components may be best used to support the military operations of the Armed Forces and the achievement of national security objectives, including homeland defense, of the United States.
  - (C) Assess the Department of Defense plan for implementation of section 115(b) of title 10, United States Code, as added by section 416(a)(4).
  - (D) Assess—
    - (i) the current organization and structure of the National Guard and the other reserve components; and
    - (ii) the plans of the Department of Defense and the Armed Forces for future organization and structure of the National Guard and the other reserve components.
  - (E) Assess the manner in which the National Guard and the other reserve components are currently organized and funded for training and identify an organizational and funding structure for training that best supports the achievement of training objectives and operational readiness.
  - (F) Assess the effectiveness of the policies and programs of the National Guard and the other reserve components for achieving operational readiness and personnel readiness, including medical and personal readiness.
  - (G) Assess—
    - (i) the adequacy and appropriateness of the compensation and benefits currently provided for the members of the National Guard and the other reserve components, including the availability of health care benefits and health insurance; and
    - (ii) the effects of proposed changes in compensation and benefits on military careers in both the regular and the reserve components of the Armed Forces.
  - (H) Identify various feasible options for improving the compensation and other benefits available to the members of the National Guard and the members of the other reserve components and assess—
    - (i) the cost-effectiveness of such options; and
    - (ii) the foreseeable effects of such options on readiness, recruitment, and retention of personnel for careers in the regular and reserve components the Armed Forces.
  - (I) Assess the traditional military career paths for members of the National Guard and the other reserve components and identify alternative career paths that could enhance professional development.
  - (J) Assess the adequacy of the funding provided for the National Guard and the other reserve components for several previous fiscal years, including the funding provided for National Guard and reserve component equipment and the funding provided for National Guard and other reserve component personnel in active duty military personnel accounts and reserve military personnel accounts.
- (d) FIRST MEETING.—The Commission shall hold its first meeting not later than 30 days after the date on which all members of the Commission have been appointed.
- (e) ADMINISTRATIVE AND PROCEDURAL AUTHORITIES.—(1) Sections 955, 956, 957 (other than subsection (f)), 958, and 959 of the National Defense Authorization Act for Fiscal

*APPENDIX 6. AUTHORIZING LEGISLATION FOR THE COMMISSION  
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Year 1994 (Public Law 103-160; 10 U.S.C. 111 note) may apply to the Commission, except that—

- (A) in applying the first sentence of subsection (a) of section 957 of such Act to the Commission, ‘may’ shall be substituted for ‘shall’; and
  - (B) in applying subsections (a), (c)(2), and (e) of section 957 of such Act to the Commission, ‘level IV of the Executive Schedule’ shall be substituted for ‘level V of the Executive Schedule’.
- (2) The following provisions of law do not apply to the Commission:
  - (A) Section 3161 of title 5, United States Code.
  - (B) The Federal Advisory Committee Act (5 U.S.C. App.).
- (3) If warranted by circumstances described in subparagraph (A) or (B) of section 8344(i)(1) of title 5, United States Code, or by circumstances described in subparagraph (A) or (B) of section 8468(f)(1) of such title, as applicable, the chairman of the Commission may exercise, with respect to the members of the Commission, the same waiver authority as would be available to the Director of the Office of Personnel Management under such section.
- (f) **REPORTS.**—(1) Not later than three months after the first meeting of the Commission, the Commission shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth—
  - (A) a strategic plan for the work of the Commission;
  - (B) a discussion of the activities of the Commission; and
  - (C) any initial findings of the Commission.
- (2) Not later than January 31, 2008, the Commission shall submit a final report to the committees of Congress referred to in paragraph (1) and to the Secretary of Defense. The final report shall include any recommendations that the Commission determines appropriate, including any recommended legislation, policies, regulations, directives, and practices.
- (g) **TERMINATION.**—The Commission shall terminate 90 days after the date on which the final report is submitted under subsection (f)(2).
- (h) **ANNUAL REVIEW.**—(1) The Secretary of Defense shall annually review the reserve components of the Armed Forces with regard to—
  - (A) the roles and missions of the reserve components; and
  - (B) the compensation and other benefits, including health care benefits, that are provided for members of the reserve components under the laws of the United States.
- (2) The Secretary shall submit a report of the annual review, together with any comments and recommendations that the Secretary considers appropriate, to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.
- (3) The first review under paragraph (1) shall take place during fiscal year 2006.

109th Congress

Public Law 109-364, Section 529

*APPENDIX 6. AUTHORIZING LEGISLATION FOR THE COMMISSION  
ON THE NATIONAL GUARD AND RESERVES*

**SEC. 529. ADDITIONAL MATTERS TO BE REVIEWED BY COMMISSION ON THE NATIONAL GUARD AND RESERVES.**

(a) Additional Matters to be Reviewed by Commission—The Commission on the National Guard and Reserves shall include among the matters it studies (in addition to the matters specified in subsection (c) of the commission charter) each of the following:

(1) NATIONAL GUARD BUREAU ENHANCEMENT PROPOSALS—The advisability and feasibility of implementing the provisions of S. 2658 and H.R. 5200 of the 109th Congress, as introduced in the Senate and the House of Representatives, respectively, on April 26, 2006.

(2) CHIEF OF NATIONAL GUARD BUREAU—As an alternative to implementation of the provisions of the bills specified in paragraph (1) that provide for the Chief of the National Guard Bureau to be a member of the Joint Chiefs of Staff and to hold the grade of general, the advisability and feasibility of providing for the Chief of the National Guard Bureau to hold the grade of general in the performance of the current duties of that office.

(3) NATIONAL GUARD OFFICERS AUTHORITY TO COMMAND—The advisability and feasibility of implementing the provisions of section 544 of H.R. 5122 of the 109th Congress, as passed by the House of Representatives on May 11, 2006.

(4) NATIONAL GUARD EQUIPMENT AND FUNDING REQUIREMENTS—The adequacy of the Department of Defense processes for defining the equipment and funding necessary for the National Guard to conduct both its responsibilities under title 10, United States Code, and its responsibilities under title 32, United States Code, including homeland defense and related homeland missions, including as part of such study—

(A) consideration of the extent to which those processes should be developed taking into consideration the views of the Chief of the National Guard Bureau, as well as the views of the 54 Adjutant Generals and the views of the Chiefs of the Army National Guard and the Air Guard; and

(B) whether there should be an improved means by which National Guard equipment requirements are validated by the Joint Chiefs of Staff and are considered for funding by the Secretaries of the Army and Air Force.

(b) Priority Review and Report—

(1) PRIORITY REVIEW—The Commission on the National Guard and Reserves shall carry out its study of the matters specified in paragraphs (1), (2), and (3) of subsection (a) on a priority basis, with a higher priority for matters under those paragraphs relating to the grade and functions of the Chief of the National Guard Bureau.

(2) REPORT—In addition to the reports required under subsection (f) of the commission charter, the Commission shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an interim report, not later than March 1, 2007, specifically on the matters covered by paragraph (1). In such report, the Commission shall set forth its findings and any recommendations it considers appropriate with respect to those matters.

(c) Commission Charter Defined—For purposes of this section, the term ‘commission charter’ means section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375; 118 Stat. 1880).

## APPENDIX 7. COMMISSIONER BIOGRAPHIES

*Arnold L. Punaro, Chairman*

Chairman Punaro is a retired Marine Corps major general who served as Commanding General of the 4th Marine Division (1997–2000) and Director of Reserve Affairs at Headquarters Marine Corps during the post-9/11 peak reserve mobilization periods. Following active duty service in Vietnam, he was mobilized three times: for Operation Desert Shield in the first Gulf War in 1990, to command Joint Task Force Provide Promise (Fwd) in Bosnia and Macedonia in 1993, and for Operation Iraqi Freedom in 2003. He worked on Capitol Hill for 24 years for Senator Sam Nunn and served as his staff director of the Senate Armed Services Committee for 14 years. In 1997, he chaired the Defense Reform Task Force for then Secretary of Defense William Cohen; in 2007, he was a member of the independent commission assessing the Iraqi security forces; he is a member of Secretary of Defense Robert Gates's Defense Business Board. He serves on the board of directors of the National Defense Industrial Association and the Atlantic Council. He is currently Executive Vice President of Science Applications International Corporation.

*William L. Ball, III*

Commissioner Ball was Secretary of the Navy during the Reagan administration. He currently chairs the Board of Trustees of the Asia Foundation, an international NGO operating in 18 Asian countries. His service on active duty in the Navy in the early 1970s was followed by 10 years on the U.S. Senate staff for Senators Herman Talmadge and John Tower. In 1985 he became Assistant Secretary of State for Legislative Affairs, and then served on the White House staff for two years as Assistant to the President for Legislative Affairs. He presently is managing director of the Loeffler Group, a government affairs practice in Washington, DC, and Texas.

*Les Brownlee*

Commissioner Brownlee was confirmed as the Under Secretary of the Army in November 2001 and served concurrently as the Acting Secretary of the Army from May 2003 to November 2004. He was appointed first by Senator Strom Thurmond in March 1996 and later by Senator John Warner in January 1999 to serve as the staff director of the Senate Armed Services Committee. He is a retired U.S. Army colonel and served two combat tours in Vietnam. He is currently President of Les Brownlee & Associates LLC.

*Rhett Dawson*

Commissioner Dawson is President and CEO of the Information Technology Industry Council. His private-sector experience includes the private practice of law and tenure as senior vice president, law and public policy, of a Fortune 500 company. During the Reagan administration, he was Assistant to the President for Operations, and earlier in his career he served as staff director of the Senate Armed Services Committee. He served on active duty as an ROTC-commissioned Army officer for three years.

*Larry K. Eckles*

Commissioner Eckles retired as the Assistant Division Commander of the 35th Infantry Division, headquartered at Fort Leavenworth, Kansas, after 37 years of service. He retired with more than 31 years of full-time civil service employment with the Nebraska Army National Guard and has served in numerous positions at state headquarters, including chief of staff of the Nebraska Army National Guard, director of personnel, and battalion commander.

### ***Patricia L. Lewis***

Commissioner Lewis served more than 28 years with the federal government, including service with the Senate Armed Services Committee for Chairmen John Warner, Sam Nunn, and Scoop Jackson. Ms. Lewis began her federal career in 1975 with the Department of the Navy and has held positions in Naval Sea Systems Command, the Office of the Navy Comptroller, and the Office of the Secretary of Defense. She is currently a partner with Monfort-Lewis, LLC.

### ***Dan McKinnon***

Commissioner McKinnon was founder, Chairman, and CEO of North American Airlines, a world-wide charter and scheduled large jet airline. He undertook special projects for the Director of Central Intelligence and also served as Chairman of the Civil Aeronautics Board, during which time he oversaw the implementation of airline deregulation. He has owned country music radio stations in San Diego. Early in his career, he spent four years as an aviator in the United States Navy, where he set, and holds, the U.S. Navy helicopter peacetime air/sea record of 62 saves.

### ***Wade Rowley***

Commissioner Rowley is currently Senior Vice President for Business Development for Otay Group, Inc., and was formerly a military border infrastructure construction consultant for U.S. Customs and Border Protection. He served 9 years of enlisted and more than 14 years of commissioned service with the Army National Guard. His last military assignment was with the California Army National Guard, where he served for 10 years on active duty for special work as an engineer project officer, company commander, and facilities support commander for the California National Guard Counterdrug Task Force. He was responsible for support in the development, project management, and installation of all aspects of border infrastructure in support of the U.S. Border Patrol.

### ***James E. Sherrard III***

Commissioner Sherrard served as Chief of Air Force Reserve, Headquarters USAF, Washington, DC, and Commander, Air Force Reserve Command, Robins AFB, Georgia, from 1998 to 2004. He is a retired lieutenant general with more than 38 years of commissioned service in the United States Air Force. As Chief of Air Force Reserve and Commander, Air Force Reserve Command, he was responsible for organizing, training, and equipping more than 79,000 military and civil service personnel required to support operations and combat readiness training for 36 flying wings, 14 detached groups, 13 Air Force Reserve installations, three Numbered Air Forces, and the Air Reserve Personnel Center (ARPC). As Chief of Air Force Reserve, he directed and oversaw the mobilization of Air Force Reserve personnel in support of military operations in Kosovo, Afghanistan, and Iraq. During his career, General Sherrard commanded an airlift group, two Air Force Reserve installations, two wings, and two Numbered Air Forces.

### ***Donald L. Stockton***

Commissioner Stockton owns and for more than 34 years has operated the Marshfield Drayage Company, a regional trucking company in southwest Missouri. He retired as a lieutenant colonel from the U.S. Air Force Reserves, where he served nearly 30 years. For almost 25 years he commanded various flights and squadrons, was deputy commander for resources, and subsequently was deputy commander for support of the 943rd Airlift Wing at March Air Force Base in California. His last command was with the 934th Maintenance Squadron, a subordinate unit of the 934th Airlift Wing, Air Force Reserve, in Minneapolis, where he was responsible for the unit's eight C-130E aircraft and for the training of some 175 reservists. For the Reserve Officers Association of the United States (ROA), he is a past national Air Force vice president, a past Missouri Department president, and currently Chairman of the Department National Council Members.



***E. Gordon Stump***

Commissioner Stump retired in January 2003 from his position of Adjutant General and the Director of Military and Veterans Affairs in Michigan after serving for 12 years. He commanded and directed a total of 157 Army and Air National Guard units, two veterans nursing homes, and 12 veterans service organizations. His prior assignments included Squadron Commander 107th TFS and Commander and Deputy Commander of the Headquarters Michigan Air National Guard. He flew 241 combat missions over North and South Vietnam. He also deployed to South Korea during the *Pueblo* crisis. He served as President of the National Guard Association of the United States and as a member of the Reserve Forces Policy Board. Prior to his assignment as Adjutant General, he was Vice President of Automotive Engineering for Uniroyal Goodrich Tire Co. He is currently President of Strategic Defense Associates, LLC.

***J. Stanton Thompson***

Commissioner Thompson is currently a County Executive Director for the U.S. Department of Agriculture's Farm Service Agency. He is a retired Navy rear admiral with more than 35 years of military service. He is the former Special Assistant for Reserve Matters to the Commander, U.S. Northern Command and North American Aerospace Defense Command. He also served as a principal advisor to the commander for maritime homeland defense. Rear Admiral Thompson was one of a handful of flag and general officers chosen to stand up NORTHCOM following the events of 9/11. Recalled to active duty during Operation Desert Shield/Desert Storm, he served as the Port Security Harbor Defense Commander of the Saudi Arabian port of Al Jubail and was responsible for the maritime defense of this strategic port.

*APPENDIX 7. COMMISSIONER BIOGRAPHIES*

APPENDIX 8. IMPLEMENTATION OF CNGR MARCH 1, 2007, RECOMMENDATIONS

CNGR Recommendation	DOD Response	NDAA for FY 2008 <sup>1</sup>	CNGR Evaluation
THE DEFENSE DEPARTMENT'S ROLE IN THE HOMELAND			
<b>1. DOD Should Validate Civil Support Requirements Generated by DHS</b>	<b>Agree</b> DOD has identified some requirements within existing budget materials. No requirements yet generated by DHS.	Required by §1815(a).	Substantial progress made through DOD and congressional action. More action is needed to fulfill recommendation, particularly by DHS. Further monitoring is required to ensure requirements are developed and civil support is included in future budget documents.
<b>2. DOD and DHS Should Exchange Representatives</b>	<b>Agree</b> DOD and DHS personnel exchange agreement currently in draft.	No provision.	Incomplete—Insufficient progress to date. Task was not completed within 180 days, as CNGR recommended, although some personnel have been exchanged.
<b>3. DOD/DHS Should Submit Joint Annual Report to Congress</b>	<b>Agree, but with modifications</b> First annual report to be submitted in February 2008.	§1815(c) includes similar provision requiring DOD in consultation with DHS and others to submit to Congress plan for providing funds and resources to develop and maintain DOD homeland capabilities.	Implementation ongoing. First report due after CNGR issues its final report.
<b>4. NORTHCOM Should Advocate for Civil Support Requirements</b>	<b>Agree</b> NORTHCOM tasked to advocate through the JROC process. Separate civil support assessments by NORTHCOM, NGB, and DHS under way. NORTHCOM reserve component advocacy conference held December 2007.	No provision.	Implementation ongoing. NORTHCOM has taken steps to advocate for civil support requirements. More progress is needed to fulfill recommendation. Further monitoring is required to ensure such advocacy leads to inclusion of civil support in future budget documents.
<b>5. Civil Support Should Be Included in Army and Air Force Budget Documents</b>	<b>Agree, but with modifications and recommended reforms in services</b> Awaiting action by DOD and the services to include in their budgets proposed funding required for civil support.	Addressed in part by §1815(c).	Further monitoring of DOD and the services required to ensure civil support is included in future budget documents.

APPENDIX 8. IMPLEMENTATION OF CNGR  
MARCH 1, 2007, RECOMMENDATIONS

CNGR Recommendation	DOD Response	NDA for FY 2008 <sup>1</sup>	CNGR Evaluation
<b>THE ROLE OF STATES AND THEIR GOVERNORS</b>			
6. Congress Should Establish a Council of Governors	Agree, but with modifications	Required by §1822.	Substantially complete—Awaiting appointment of members.
7. National Guard Officers Should Be Able to Serve in Dual Status	Agree	No provision.	Incomplete—Requires congressional action to implement.
8. Protocols Should Be Developed to Allow a Governor to Direct Federal Forces	<b>Disagree</b> DOD recognizes that current processes are insufficient, and is evaluating an alternative proposal to improve coordination between federal and governor-controlled forces.	Included in Joint Explanatory Statement for §1814.	Incomplete—DOD continues to oppose but has not yet offered a viable alternative consistent with Commission recommendation.
<b>THE NATIONAL GUARD BUREAU</b>			
9. NGB Should Be Made a Joint Activity of DOD	<b>Disagree</b>	Required by §1812(a).	Substantially complete—Awaiting implementation by DOD.
10. Statutory Advisory Role of NGB Chief Should Be Expanded	<b>Agree, but with modifications</b>	§1811(d) contains language substantially similar to CNGR recommendation.	Substantially complete—Awaiting implementation by DOD.
11. NGB's Responsibility to Coordinate National Guard Use Should be Amended in Statute	<b>Agree, but with modifications</b>	Required by §1813(a).	Substantially complete—Awaiting implementation by DOD.
12. New NGB Charter Should Be Drafted to Reflect §§11 and 12	<b>Agree, but with modification</b>	Required by §1813(b).	Substantially complete—Awaiting implementation by DOD.
13. NGB Chief Should Be Raised to 4-Star Rank	<b>Agree</b>	Required by §1811.	Substantially complete—Awaiting nomination for the new position.
14. CNGR Should Not Be a Member of the JCS	<b>Agree</b>	No provision.	<b>Complete.</b>

APPENDIX 8. IMPLEMENTATION OF CNGR  
MARCH 1, 2007, RECOMMENDATIONS

CNCR Recommendation	DOD Response	NDA for FY 2008 <sup>1</sup>	CNCR Evaluation
<b>15. CJCS Should Keep Advisors on National Guard and Reserve Matters</b>	<b>Agree</b>	No provision.	<b>Complete.</b>
<b>U.S. NORTHERN COMMAND</b>			
<b>16. NORTHCOM Senior Leaders Should Possess Reserve Qualifications and Credentials</b>	<b>Agree, but with modifications.</b> Review of billets under way.	Addressed in significant part by §1821.	Incomplete—Insufficient progress to date. Further monitoring is necessary to ensure that “majority,” rather than “a significant percentage,” of NORTHCOM billets, including those for component commands, are filled by leaders and staff with reserve qualifications and credentials.
<b>17. NORTHCOM Commander or Deputy Commander Should Be from National Guard or Other Reserve Component</b>	<b>Disagree</b>	Addressed in significant part by §1824(b), which requires “a deputy” to be a member of the National Guard unless the commander is a Guard member.	Awaiting implementation by DOD. §1824(b) limits billet to National Guard officers, instead of officers from all reserve components.
<b>18. NORTHCOM Should Have Only One Deputy Commander</b>	<b>Agree</b>	Addressed in part by §1824(b), which could allow more than one deputy at NORTHCOM.	Substantially complete—§1824 implies that NORTHCOM may have more than one deputy commander; the Commission recommends against this.
<b>19. NORTHCOM Should Develop Plans for Consequence Management and Civil Support</b>	<b>Agree, but with modifications</b>	Addressed in part by §1814.	Insufficient progress to date. NORTHCOM has developed plans for consequence management that account for state-level activities and include National Guard and Reserve forces. However, NORTHCOM plans are not sufficiently detailed and do not assign required forces, particularly for catastrophes.
<b>RESERVE POLICY ADVICE</b>			
<b>20. Reserve Forces Policy Board Should Be Replaced by Reserve Policy Board of Outside Experts</b>	<b>Agree, but with modifications</b>	Addressed in significant part by §1823.	Substantially complete—Further monitoring necessary to ensure implementation follows Commission recommendation as required by Congress.



APPENDIX 8. IMPLEMENTATION OF CNGR  
MARCH 1, 2007, RECOMMENDATIONS

CNGR Recommendation	DOD Response	NDA for FY 2008 <sup>1</sup>	CNGR Evaluation
<b>RESERVE COMPONENT OFFICER PROMOTION</b>			
<b>21. Joint Experience Qualifications and JPME Should Be Modified to Enhance Opportunities of RC Officers</b>	<b>Agree</b>	No provision.	Awaiting DOD action to enhance JPME delivery methods and address award of joint duty credit for less than full-time service. Further monitoring of DOD and Joint Staff required to ensure compliance with Commission recommendation.
<b>22. RC Officers Should Be Routinely Considered for O-9, O-10 Positions</b>	<b>Agree</b>	§1824 establishes sense of Congress that whenever officers are considered for promotion to lieutenant general or vice admiral on active duty list, eligible RC officers also be considered for promotion.	Awaiting further implementation by DOD and the military departments, which were directed by SecDef to address issue. Military departments need to generate specific plan of actions and milestones. Further monitoring of DOD and the military departments required to ensure compliance with Commission recommendation.
<b>23. <i>President Should Not Certify RC Officers Considered for O-9 Positions</i></b>	<b>Agree</b>	§1824(a).	<b>Complete.</b>

Note: Recommendations in italics are those in which the Commission, in its March 1 report, disagreed with the provisions of the proposed National Defense Enhancement and National Guard Empowerment Act of 2006.

<sup>1</sup> As this report was about to go to press, President Bush vetoed the National Defense Authorization Act for Fiscal Year 2008. As in the full report, we cite those sections of the act in their current form, as published in House Report 110-477, the Conference Report to accompany H.R. 1585, December 6, 2007.

## APPENDIX 9. PUBLIC HEARING PANELS

### HEARING ON PRINCIPLES AND PRIORITIES, ROLES AND MISSIONS

Room 2216, Rayburn House Office Building, Washington, DC

March 8, 2006

*9:30 a.m. (in order of appearance)*

- Senator Mark Pryor, Co-Chair, Senate Reserve Caucus
- Senator Lindsey Graham, Chairman, Personnel Subcommittee, Senate Armed Services Committee
- Senator Christopher “Kit” Bond, Co-Chair, Senate National Guard Caucus
- Senator Patrick Leahy, Co-Chair, Senate National Guard Caucus
- Representative Duncan Hunter, Chairman, House Armed Services Committee
- Representative John McHugh, Chairman, Military Personnel Subcommittee, House Armed Services Committee
- Senator Ben Nelson, Ranking Member, Personnel Subcommittee, Senate Armed Services Committee
- Senator John Warner, Chairman, Senate Armed Services Committee
- Representative Ike Skelton, Ranking Member, House Armed Services Committee
- Representative Gene Taylor, Co-Chair, House National Guard and Reserve Components Caucus
- Representative Steve Buyer, Co-Chair, House National Guard and Reserve Components Caucus

*1:00 p.m.*

- Dr. David S. C. Chu, Under Secretary of Defense for Personnel and Readiness (accompanied by the Honorable Thomas F. Hall, Assistant Secretary of Defense for Reserve Affairs)
- Lieutenant General Raymond Odierno, Assistant to the Chairman of the Joint Chiefs of Staff

March 9, 2006

*9:30 a.m.*

- General Richard Cody, Vice Chief of Staff, U.S. Army
- Admiral Robert Willard, Vice Chief of Naval Operations
- General Robert Magnus, Assistant Commandant of the Marine Corps
- General John D. W. Corley, Vice Chief of Staff, U.S. Air Force

*2:00 p.m.*

- Michèle Flournoy, Senior Adviser, International Security Program, Center for Strategic and International Studies
- Dr. Andrew Krepinevich, Executive Director, Center for Strategic and Budgetary Assessments

## HEARING ON HOMELAND DEFENSE/HOMELAND SECURITY

National Transportation Safety Board Conference Center

429 L'Enfant Plaza, SW, Washington, DC

May 3, 2006

*9:30 a.m.*

- The Honorable George W. Foresman, Under Secretary for Preparedness, Department of Homeland Security
- The Honorable Paul McHale, Assistant Secretary of Defense for Homeland Defense, Department of Defense
- Admiral Timothy J. Keating, U.S. Navy, Commander, North American Aerospace Defense Command, and Commander, U.S. Northern Command

*1:30 p.m.*

- Lieutenant General H Steven Blum, U.S. Army, Chief, National Guard Bureau
- Major General Roger P. Lempke, Air National Guard, President, Adjutants General Association of the United States, and Adjutant General, State of Nebraska
- Rear Admiral Kenneth T. Venuto, U.S. Coast Guard, Assistant Commandant for Human Resources

May 4, 2006

*9:30 a.m.*

- The Honorable John O. Marsh, Jr., Distinguished Professor of Law, George Mason University
- Frank J. Cilluffo, Associate Vice President for Homeland Security, and Director, Homeland Security Policy Institute, The George Washington University
- Dr. James J. Carafano, Senior Research Fellow, Defense and Homeland Security, The Heritage Foundation

## HEARING ON NATIONAL GUARD AND RESERVE ISSUES

Rooms 2118 and 2216 Rayburn House Office Building, Washington, DC

June 15, 2006

9:00 a.m.

- The Honorable Ruth Ann Minner, Governor of Delaware and Lead Governor on Homeland Security, National Governors Association

11:00 a.m.

- Christine Wormuth, Senior Fellow, Center for Strategic and International Studies

12:45 p.m.

- The Honorable Michael F. Easley, Governor of North Carolina and Lead Governor on the National Guard, National Governors Association

2:00 p.m.

- Michele S. Jones, Command Sergeant Major of the Army Reserve
- John D. Gipe, Command Sergeant Major of the Army National Guard
- Richard A. Smith, Chief Master Sergeant of the Air National Guard
- David R. Pennington, Force Master Chief of the Navy Reserve
- Robin W. Dixon, Sergeant Major of the Marine Corps Reserve
- Jackson A. Winsett, Chief Master Sergeant of the Air Force Reserve
- Jeffrey D. Smith, Reserve Force Master Chief of the U.S. Coast Guard Reserve
- Panel accompanied by Lawrence W. Holland, Command Sergeant Major for the Assistant Secretary of Defense for Reserve Affairs

## HEARING ON NATIONAL GUARD AND RESERVE ISSUES

Iberian Ballroom, La Mansion Del Rio Hotel, San Antonio, TX

July 19, 2006

9:30 a.m.

- Lieutenant General Jack Stultz, Chief of the Army Reserve
- Vice Admiral John Cotton, Chief of the Navy Reserve
- Lieutenant General Jack Bergman, Commander, Marine Forces Reserve
- Lieutenant General John A. Bradley, Chief of the Air Force Reserve
- Lieutenant General Craig R. McKinley, Director, Air National Guard
- Rear Admiral John C. Acton, Deputy LANTAREA Commander for Mobilization and Reserve Affairs and Senior Reserve Officer, U.S. Coast Guard

2:00 p.m.

- Sergeant Allison Kitzerow, Army Reserve
- Sergeant Christopher McWilliams, Army National Guard
- Staff Sergeant Maria Sparks, Air Force Reserve
- Master Sergeant Alphonzo Allen, Air National Guard
- Construction Mechanic Second Class José Quiroz, Navy Reserve
- Corporal Adrian Garza, Marine Corps Reserve
- Chief Petty Officer Douglas Gilmer, Coast Guard Reserve

## HEARING ON NATIONAL GUARD AND RESERVE ISSUES

Sims Auditorium, U.S. Navy Fleet Anti-Submarine Warfare Training Center, Point Loma, San Diego, CA

September 20, 2006

*9:00 a.m.*

- Brigadier General Douglas M. Stone, U.S. Marine Corps Reserve, Commanding General, Marine Corps Air Ground Combat Center, Marine Corps Air Ground Task Force Training Command at 29 Palms, CA
- Colonel David L. Blain, U.S. Army, Deputy Commander and Chief of Staff, U.S. Army National Training Center at Fort Irwin, CA

*10:30 a.m.*

- Major Thomas Friloux, Army National Guard, 3rd Battalion, 156th Infantry, Louisiana Army National Guard
- Major David Owen, U.S. Marine Corps, 2nd Battalion, 24th Marine Regiment, 4th Marine Division
- Major Christopher F. Foxx, U.S. Army Reserve, Division Maintenance Officer, 108th HQ (DIVIT), Charlotte, NC

*1:00 p.m.*

- Brigadier General Louis Antonetti, Director, Joint Staff, California National Guard
- Stephen J. Sellers, Regional Administrator, Southern Region, Office of Emergency Services, State of California
- Charles P. McHugh, Assistant Director, Arizona Department of Emergency and Military Affairs, Division of Emergency Management

September 21, 2006

*8:30 a.m.*

- Lieutenant Colonel Thomas Plunkett, Army National Guard, 3rd Battalion, 156th Infantry, Louisiana Army National Guard
- Lieutenant Colonel Mark Smith, U.S. Marine Corps Reserve, 2nd Battalion, 24th Marine Regiment, 4th Marine Division
- Lieutenant Colonel Thomas Sisinyak, U.S. Army Reserve, Commander, 812th Transportation Battalion
- Janet St. Laurent, Director, Defense Capabilities and Management Team, Government Accountability Office



## HEARING WITH COMBATANT COMMANDERS

Room 2118, Rayburn House Office Building, Washington, DC

October 5, 2006

*9:00 a.m.*

- General James L. Jones, U.S. Marine Corps, Supreme Allied Commander, Europe (SACEUR) and Commander, United States European Command (COMUSEUCOM)

*10:30 a.m.*

- General Lance L. Smith, U.S. Air Force, Commander, U.S. Joint Forces Command/ North Atlantic Treaty Organization, and Supreme Allied Commander Transformation

## HEARING ON PROPOSED CHANGES TO THE NATIONAL GUARD

Room 2212 and 2216, Rayburn House Office Building, Washington, DC

December 13, 2006

*8:00 a.m.*

- Dr. David S. C. Chu, Under Secretary of Defense for Personnel and Readiness
- The Honorable Thomas F. Hall, Assistant Secretary of Defense for Reserve Affairs

*10:00 a.m.*

- The Honorable George W. Foresman, Under Secretary for Preparedness, Department of Homeland Security

December 14, 2006

*10:30 a.m.*

- General Peter J. Schoomaker, Chief of Staff, U.S. Army

*11:45 a.m.*

- Michael W. Wynne, Secretary of the Air Force
- General T. Michael Moseley, Chief of Staff of the U.S. Air Force

*2:00 p.m.*

- Major General Frank Vavala, Adjutant General, State of Delaware, and Vice President, Adjutants General Association of the United States
- Major General Raymond F. Rees, Adjutant General, State of Oregon
- Major General R. Martin Umbarger, Adjutant General, State of Indiana, and Chairman, National Guard Association of the United States

## HEARING ON PROPOSED CHANGES TO THE NATIONAL GUARD

Room 2212, Rayburn House Office Building, Washington, DC

January 31, 2007

*9:00 a.m.*

- Lieutenant General H Steven Blum, Chief, National Guard Bureau

*11:30 a.m.*

- Dr. Francis J. Harvey, Secretary of the Army

*2:00 p.m.*

- General Peter Pace, U.S. Marine Corps, Chairman, Joint Chiefs of Staff

## HEARING ON RESERVE COMPONENT POLICY REFORM

Room 2212, Rayburn House Office Building, Washington, DC

April 12, 2007

*8:30 a.m.*

- Lieutenant General James J. Lovelace, U.S. Army, Deputy Chief of Staff, G-3
- Major General Richard A. Huck, U.S. Marine Corps, Assistant Deputy Commandant for Plans, Policies and Operations

*10:30 a.m.*

- Major General Thomas A. “Tommy” Dyches, U.S. Air Force, Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters
- Major General Michael H. Sumrall, U.S. Army, Assistant to the Chairman of the Joint Chiefs of Staff for National Guard Matters
- Major General Michael A. Vane, U.S. Army, Joint Staff J-8, Vice Director for Force Structure, Resources and Assessments

*1:00 p.m.*

- The Honorable Thomas Hall, Assistant Secretary of Defense for Reserve Affairs
- The Honorable Ronald J. James, Assistant Secretary of the Army, Manpower and Reserve Affairs
- The Honorable William A. Navas, Jr., Assistant Secretary of the Navy, Manpower and Reserve Affairs
- John C. Truesdell, Deputy Assistant Secretary of the Air Force for Reserve Affairs

## HEARING ON RESOURCING AND READINESS, EMPLOYER AND FAMILY SUPPORT

Sheraton National Hotel, Arlington, VA

May 16, 2007

*9:00 a.m.*

- The Honorable P. Jackson Bell, Deputy Under Secretary of Defense for Logistics and Materiel Readiness
- Dave Patterson, Principal Deputy Under Secretary of Defense (Comptroller)

*10:45 a.m.*

- Rear Admiral Stanley D. Bozin, U.S. Navy, Director, Office of Budget, Office of the Assistant Secretary of the Navy for Financial Management and Comptroller
- Major General Frank R. Faykes, U.S. Air Force, Deputy Assistant Secretary for Budget, Office of the Assistant Secretary of the Air Force for Financial Management and Comptroller
- The Honorable Nelson M. Ford, Assistant Secretary of the Army for Financial Management and Comptroller

*1:30 p.m.*

- Dr. James T. Currie, Industrial College of the Armed Forces, Fort McNair, Washington, DC
- J. Michael Gilmore, Assistant Director for National Security, Congressional Budget Office

May 17, 2007

*9:00 a.m.*

- Ted Daywalt, CEO and President, VetJobs.com, Marietta, GA
- William D. Elmore, Associate Administrator, Office of Veterans Business Development, U.S. Small Business Administration
- Dr. Heidi L. W. Golding, Principal Analyst, National Security Division, Congressional Budget Office
- Dr. L. Gordon Sumner, Jr., Executive Director, National Committee for Employer Support of the Guard and Reserve

*11:00 a.m.*

- Lisa A. Angelini, Administrator, Employee Health Services, New Hampshire Department of Corrections
- Christine J. Bierman, CEO and Founder, Colt Safety, Fire & Rescue – Safety Technologies, Inc., St. Louis, MO
- Stephen M. Dickson, Senior Vice President, Flight Operations, and Chief Pilot, Delta Airlines
- Jeffrey R. Linscott, President, JL Aviation, Inc., Portland, OR
- David L. Miller, President, Con-way Freight-Central, Inc., Ann Arbor, MI

*2:00 p.m.*

- Alice Capehart, ANG Family Readiness Group Volunteer, 113th Air Wing, DC Air National Guard
- Laura Coseglia, Director, Family Support, 512th Airlift Wing, Dover Air Force Base, DE
- Michael Evans, Regional Manager, U.S. Army Reserve, Fort Snelling, MN
- Jill McMillin, Family Readiness Group Leader, 2nd BN, 224th Aviation Regiment, Virginia Army National Guard
- Amie Minich, Navy Family Ombudsman, Navy Operational Support Center, Richmond, VA
- Andrea Rollins, Marine Corps Reserve Key Volunteer Advisor, 2nd Battalion, 25th Marine Regiment, 4th Marine Division, Marine Forces Reserve, Garden City, NY

## HEARING ON MANAGING AN INTEGRATED ACTIVE AND RESERVE FORCE

232A Russell Senate Office Building, Washington, DC

**June 20, 2007**

*10:30 a.m.*

- The Honorable David M. Walker, Comptroller General of the United States

*1:30 p.m.*

- The Honorable Michael L. Dominguez, Principal Deputy Under Secretary of Defense for Personnel and Readiness

**June 21, 2007**

*9:00 a.m.*

- Lieutenant General Michael D. Rochelle, U.S. Army, Deputy Chief of Staff, G-1
- Rear Admiral Edward Masso, U.S. Navy, Commander, Navy Personnel Command, and Deputy Chief of Naval Personnel
- Lieutenant General Ronald S. Coleman, U.S. Marine Corps, Deputy Commandant for Manpower and Reserve Affairs
- Lieutenant General Roger A. Brady, U.S. Air Force, Deputy Chief of Staff, Manpower and Personnel

## APPENDIX 10. INDIVIDUALS CONSULTED BY THE COMMISSION ON THE NATIONAL GUARD AND RESERVES

This appendix lists more than 850 individuals whom the Commission consulted during its tenure. We have made every effort to include everyone who provided us information and advice. The list consists of people who testified before the Commission, who participated in our focus groups and roundtables, and to whom we spoke either in person or over the telephone. It also includes those who responded to the Commission's official request for input sent to stakeholders. Though the names of the many people who sent e-mails or provided input through the Web site are not recorded here, all their comments and suggestions were considered by Commission staff.

Mr. James Abeyta	Colonel Phil Beaver
Rear Admiral John C. Acton	Ms. Belva Belfour-Nixon
Admiral John O. Agwunob	The Honorable P. Jackson Bell
Colonel Donald Ahern	Mr. Al H. Bemis
Sergeant First Class James M. Alexander	Mr. Robert H. Bender
Sergeant Roger Alicea	Mr. Seth Benge
Master Sergeant Alphonzo Allen	Lieutenant Colonel Greg Bennett
Mr. Eric P. Andersen	Ms. Linda Bennett
Brigadier General Oscar Anderson	E. J. Bentz, Ph.D.
Ms. Lisa A. Angelini	Ms. Gwen Bergeson
Brigadier General Louis Antonetti	Lieutenant General Jack W. Bergman
Captain Michael P. Argo	Senior Master Sergeant Dale Berryhill
Robert E. Armstrong, Ph.D.	Ms. Christine J. Bierman
Colonel Billy Asbell	Mr. Kevin Billings
Ms. Lori Atkinson	Hans Binnendijk, Ph.D.
Colonel Beth Austin	Lieutenant Colonel William L. Birden
Lieutenant Colonel Jim Bacchus	Lieutenant Colonel Biron
Lieutenant Colonel Dan Bader	Colonel David L. Blain
Mr. Joel Bagnal	The Honorable Kathleen Babineaux Blanco
Mr. Alex Baird	Lieutenant Colonel Gregg A. Bliss
Major Chris Baker	Major General Jan Blom
Brigadier General Donna Barbisch (Ret.)	Lieutenant General H Steven Blum
Mr. Hugh Barker	Mr. Tom Boatner
Mr. Joseph L. Barnes	Mr. Bob Boggs
Colonel Thomas Barth	Ms. Deborah Bolton
Ms. Cynthia Bascetta	The Honorable Christopher S. "Kit" Bond
Brigadier General Michael J. Basla	Mr. Robert Boorstin
Mr. Charlie Battaglia	Colonel Joseph Bowen (Ret.)
Mr. Dana K. Beausoleil	Captain Vince Bowhers



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Lieutenant Colonel David Boyle	General Charles Campbell
Rear Admiral Stanley D. Bozin	Captain Timothy Campbell
Lieutenant General John A. Bradley	The Honorable Maria Cantwell
Lieutenant General Roger A. Brady	Ms. Alice Capehart
Mr. Robert Brandewie	James Jay Carafano, Ph.D.
Ms. Marygail Brauner	Lieutenant Colonel Richard Cardenas
Mr. Mark Breckenridge	Mr. Barry Cardwell
Rear Admiral Jody Breckinridge	Mr. Lyle Carlile
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Captain Joseph Bridge	Mr. Alfonso Carmona
Mr. John R. Brinkerhoff	Captain Bradley Carpenter
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Colonel Timothy B. Britt	Rear Admiral Wendi B. Carpenter
Mr. George Brock	Mr. George Carroll
Major Bryan Brokate	Colonel Les Carroll
Captain Fred Broussard	Petty Officer Trisha Carroll
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Colonel Joseph Brown (Ret.)	Lieutenant Colonel Jeffrey Cashman
Captain Matt Brown	Staff Sergeant Victor Castillo
Colonel Bryant	Mr. Jim Castle
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Ms. Alice Buchalter	The Honorable Saxby Chambliss
Ms. Jennifer Buck	Mr. John Chapla
Colonel Mark Bucknam	Major General Ronald S. Chastain
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Major General David Buford	Lieutenant General Daniel W. Christman (Ret.)
Mr. John Burdon	The Honorable David S. C. Chu
Mr. Dennis K. Burke	Ms. Christie Church
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Major General Douglas Burnett	Mr. Frank Cirillo
Lieutenant Colonel Todd Burton	Major General Drennan A. Clark (Ret.)
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Ms. Cindy Butler	Mr. Van Clark
The Honorable Steve Buyer	Mr. Walter T. Clark
Mr. William T. Cahill	Lieutenant Colonel Timothy J. Clays

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Mr. Stanley Cochran	Colonel Connie Davis
General Richard Cody	Mr. John Davis
Colonel Blaine Coffey	Lieutenant Colonel William Davis
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Chief Gerald G. Coggin	Mr. Brian De Vallance
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Mr. Edward H. Conant	Mr. Daniel B. Denning
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Ms. Elisabeth A. Cordray	Mr. Eric Devoursney
General John D. W. Corley	Colonel Jim Dickenson
Ms. Laura Coseglia	Mr. Stephen M. Dickson
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James T. Currie, Ph.D.	Captain Deborah Dombeck

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Colonel John Donovan	Ms. Kate Finnerty
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Mr. Bill Driscoll	Major General Charles Fletcher
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Colonel Lawrence E. Dudley	Ms. Michèle Flournoy
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Ms. Mackenzie Eaglen	Colonel Nancy Fortuin
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Mr. Randy Eardley	Ms. Christine Fox
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Colonel Dave Ellis	Colonel Jeff Franklin
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Brigadier General Rick Ethredge	Mr. Donald R. Gardner
Mr. Michael Evans	Lieutenant General Emerson N. Gardner, Jr.
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Mr. Joe Fengler	Rear Admiral Tim Giardina

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Chief Petty Officer Douglas Gilmer  
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Curt Gilroy, Ph.D.  
Mr. Daniel Ginsberg  
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Colonel Karl Goetzke  
Mr. John Goheen  
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Mr. Matthew S. Goldberg  
Mr. Warren Golden  
Heidi L. W. Golding, Ph.D.  
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Brigadier General Stewart Goodwin  
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Mr. Chris Graham  
The Honorable Lindsey Graham  
Mr. W. Warren Grant  
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Mr. Corey Gruber  
Lieutenant Commander Jennifer  
Grzelak-LeDoux  
Gunnery Sergeant Frank Guajardo

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Mr. Edwin Guidroz  
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Mr. Marshall Hanson  
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Mr. Jake Harrington  
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Colonel Michael J. Harris  
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Vice Admiral John Harvey  
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Mr. Steve Hasty  
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Ms. Kris Hoffman	Colonel William R. Johnson (Ret.)
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Lieutenant Commander Walter Hogan	Sergeant Major Michele S. Jones
Lieutenant Colonel Susan Hogg	Mr. Nolan Jones
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The Honorable Mike Huckabee	Mr. Dennis M. Kenneally
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Brigadier General James Hunter	Mr. Eric Kidwell
Lieutenant Colonel Hutchinson	Mr. Greg Kiely
Brigadier General Charles Ickes	Colonel Fred Kienle
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The Honorable John Kyl	The Honorable James R. Locher, III
Brigadier General Mark Kyle	Commander Mike Lodge
Mr. Thomas Lacrosse	Admiral William P. Loeffler
The Honorable Melvin Laird	Colonel Michael LoGrande
Captain John M. Landon, II	Major General Chip Long
Major General Bennett C. Landreneau	Staff Sergeant Ricky Longoria
Ms. Jan P. Lane	Mr. Ernest Loomis
Ms. Susan Langley	Mr. Jim Looney
Colonel Deb Larrabee	Lieutenant General James J. Lovelace
Chief Petty Officer Linda Laswell	Lieutenant Colonel Kerry Lovely
Ms. Janice Laurence	Major General Timothy Lowenberg
Ms. Diane Lawhon	Lieutenant Colonel Cal Lude
Major General Bruce Lawlor	Lieutenant Colonel Charles Lunati
Mr. G. Andrew Lawrence	Colonel Robin Lynch
The Honorable Patrick Leahy	Mr. Victor Macias
Captain Mark Leary	Major Willis Madden
Colonel David E. LeBlanc	Mr. Larry Madison
Sergeant Lee	General Robert Magnus
Lieutenant Colonel Carol Leighton	Rear Admiral Joseph Maguire
Captain Kelly Lelito	Master Sergeant Juan Maldonado
Lieutenant Colonel Bob Lemieux	Mr. Jim Mangie
Rear Admiral Jeff Lemmons	Mr. John Maniscalco
Major General Roger P. Lempke	Master Sergeant Mark Mann
Colonel Peter Lennon	Brigadier General Randy Manner
Mr. Henry Leonard	Colonel David Mansfield
Mr. Brian J. Lepore	Rear Admiral Thomas F. Marfiak (Ret.)
Mr. Jeffrey S. Lerner	Sergeant First Class William H. Marks
Colonel Jeff Lewis	The Honorable John O. Marsh, Jr.
Mr. Mark Lewis	The Honorable Jim Marshall
Mr. Steve Lillie	Colonel Prescott Marshall
Mr. Simon Limage	Mr. Robert Marshall
Lieutenant Colonel Greg Limberis	James A. Martin, Ph.D.

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Major General Thomas J. Matthews	Mr. David L. Miller
Ms. Jane Matthias	Major General Thomas G. Miller
Mr. James A. Mazzarella	Commander Bill Milne
Lieutenant General Dennis M. McCarthy (Ret.)	Lieutenant Colonel Duncan Milne
Mr. James S. McCleskey	Ms. Amie Minich
Mr. Bernd “Bear” McConnell	The Honorable Ruth Ann Minner
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Rear Admiral Craig McDonald	Brigadier General Bert K. Mizusawa
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The Honorable John McHugh	Mr. Barry Morris
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Lieutenant General Craig R. McKinley	Major General Henry Morrow
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Mr. Mac McLaughlin	General Michael T. Moseley
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Chief Kevin McQuaid	Colonel Karin Murphy
Chief Master Sergeant Kenneth McQuiston	Colonel Sheryl Murray
Sergeant Christopher McWilliams	Carla Tighe Murray, Ph.D.
Colonel Lawrence Meder	Commander Al Musgrove
Captain Roger Meek	Mr. Matt Musial
The Honorable Edwin Meese III	Captain Harry Myers
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Colonel John Nichols  
Petty Officer Carlos Nino  
Ms. Erin Noel  
Mr. James A. Noone  
Mr. Bob Norton  
Mr. Derrick Nunn  
Major Nutt  
Rear Admiral Stewart O'Bryan  
Lieutenant General Raymond T. Odierno  
Master Sergeant Ralph O'Hara  
Lieutenant Colonel Ken Olivo  
Staff Sergeant Timothy O'Neil  
The Honorable Solomon Ortiz  
Mr. David Osborne  
Major General Robert B. Ostenberg  
Major David Owen  
Staff Sergeant Tanya Marie Pablo  
General Peter Pace  
Major Rob Palmer  
Mr. Kevin Parker  
Mr. Terrell Parker  
Mr. Parrish  
Jacqueline Parthemore, M.D.  
Mr. Dave Patel  
Mr. J. David Patterson  
Colonel Kathleen Patterson  
Colonel Renwick Payne  
Mr. John H. Pendleton  
Force Master Chief David R. Pennington  
Colonel Angel Perez  
Colonel Dorothy A. Perkins  
Major Kathleen Perry  
Colonel Eric F. Peterson  
Lieutenant Colonel Timothy S. Pheil

Mr. John Phillips  
Admiral Donald Pilling (Ret.)  
Ms. Sue Pinto  
Ms. Connie Plott  
Lieutenant Colonel Thomas Plunkett  
Mr. John Podesta  
Commander Anthony Popiel  
Colonel Lawrence Porter  
Colonel Robert Porter  
Lieutenant Colonel Bridget Powell  
The Honorable Colin Powell  
Mr. William T. Powell, Jr.  
Lieutenant General David B. Poythress  
Major Robert Preiss  
Captain Michael R. Price  
Lieutenant Colonel Vincent Price  
Mr. Donald Prior  
Melvin E. Prostkoff, M.D.  
The Honorable Mark Pryor  
Sergeant First Class Trenton Puckett  
Colonel Pucky  
Mr. Ike Puzon  
Lieutenant Colonel Peter J. Quinn  
Construction Mechanic Second Class Jose Quiroz  
Ms. Joyce Raezer  
Major General William M. Rajczak  
Petty Officer Victor Ramirez  
Petty Officer Juan Ramos  
Ms. Molly Ramsdell  
Major General David P. Rataczak  
Captain Dale Rausch  
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Major General Raymond F. Rees  
Colonel Mike Regan  
Mr. Michael E. Reheuser  
Mr. Patrick Reidy

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Colonel Bruce Resnak	Ms. Sallie Shaffer
Master Sergeant George Reyes	Chief Petty Officer Melissa Sharer
Colonel Randy Richter	Mr. George P. Sharon
Colonel Greg Riley	Mr. Jim Sharpe
Chief Master Sergeant Riling	Rear Admiral Michael Shatynski
Command Sergeant Major Mark Ripka	Brigadier General Richard Sherlock
Captain Eddie J. Diaz Rivera	Mr. Jim Sherry
Major General David A. Robinson	Mr. Doug Shinn
Mr. John D. Robusto	Captain David Shiveley
Lieutenant General Michael D. Rochelle	Mr. Michael Shoebridge
Brigadier General C. Stewart Rodeheaver	Lieutenant Colonel David K. Silbaugh
Mr. Richard Rodriguez	Chief Master Sergeant Tammy Simpson
Ms. Andrea Rollins	First Sergeant William Simpson
Mr. Herb Rosenbleeth	Mr. John Sims
Brigadier General Larry Ross	Lieutenant Colonel Thomas Sisinyak
Mr. Gary J. Rossio	Mr. Len Sistek, Jr.
Mr. Bernie Rotsker	The Honorable Ike Skelton
The Honorable Michael Rounds	Ms. Kirsti Skjerven
The Honorable Donald H. Rumsfeld	Mr. Chris Slawinski
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Colonel James Sample	Colonel George R. Smith
Mr. Ken Sanborn	Force Master Chief Jeffrey D. Smith
Mr. Chad Sarchio	General Lance L. Smith
Colonel Lawrence H. Saul	Colonel Lawrence Smith
Mr. Samuel William Sax	Lieutenant Colonel Mark Smith
Commander Shawn Scharf	Commander Neal Smith
Major General Terry Scherling	Major General Perry G. Smith
Mr. Pete Schirmer	Master Sergeant Richard A. Smith
Mr. Matthew Schmitt	Major General Robert W. Smith, III
General Peter J. Schoomaker	Colonel Robert Sommers
Mr. John Schultz	Staff Sergeant Maria Sparks
Mr. Ronald M. Schultz	Lieutenant General Stephen M. Speakes
General Norton Schwartz	Lieutenant Colonel Kurt Speed

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General William W. Spruance	George W. Thomas, Ph.D.
Captain St. John	Ms. Kristie Thomas
Ms. Janet St. Laurent	Major General Randal E. Thomas
Captain Patrick H. Stadt	Captain Robert L. Thomas
Mr. Joseph A. Staudt	Mr. Dana Thompson
Major General Charles Stenner	Colonel G. Kevin Thompson
Mr. Derek Stewart	Mr. Allen Tidwell
Mr. Charles D. Stimson	Mr. John Tillson
Colonel Russell Stine	Mr. Jonathan A. Towers
Brigadier General Douglas M. Stone	Colonel Mark Tracy
Lieutenant Colonel Dan Stoneking	Mr. John C. Truesdell
Lieutenant Colonel Art Stovall	Mr. David M. Tucker
Captain Chip Strangfeld	Major General F. Dexter Tutor
Colonel Bryant Streett	Major General Bruce Tuxill
Lieutenant General Jack C. Stultz	Major General R. Martin Umbarger
Ms. Garcia Sugioka	Mr. Randy Unger
Major General Paul J. Sullivan	Ms. Kathy Upchurch
Major General Peter K. Sullivan	Lieutenant Colonel Greg N. Urtso
Lieutenant Colonel Sean A. Sullivan	Lieutenant General Robert Van Antwerp
Rear Admiral Timothy S. Sullivan	Colonel Brian Van Sickel
Rear Admiral William D. Sullivan	Major General Michael A. Vane
L. Gordon Sumner, Jr., Ph.D.	Rear Admiral Kenneth T. Venuto
Major General Michael Sumrall	Mr. Peter F. Verga
Mr. Richard J. Suzor	Colonel Joseph A. Vianni
Colonel Kathleen Swacina	Mr. Paul Vilcoq
Colonel Christopher Swadener	Major General Villacorta
Major General Guy Swan	Gunnery Sergeant Ruben E. Villarreal
Mr. Dave Swatloski	The Honorable Thomas J. Vilsack
Major General Michael Symanski	Captain Richard Vogel
Vice Admiral Stanley R. Szemborski	Major Keith Vollert
Mr. Ham Tallent	Mr. Kevin VonHunke
The Honorable Ellen Tauscher	Rear Admiral Wachendorf
The Honorable Gene Taylor	Ms. Debra Wada
Lieutenant Colonel Susan Temmer	Mr. Edward Wade
Colonel Rocky Templon	Mr. Karl Wagner
Colonel Pat Tennis	The Honorable David M. Walker
Ms. Andrea H. Tevlin	Ms. Patricia J. Walker



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Captain Eric Wallischeck  
Mr. Jerry Walsh  
Commander John D. Ward  
The Honorable John Warner  
Mr. Michael Waters  
Brigadier General Jimmy R. Watson (Ret.)  
Master Sergeant Susan Watson  
Mr. Jim Weber  
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Lieutenant General Glenn Webster  
Commander Paul Weckman  
Commander Mark Weiler  
Colonel Weiner  
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Mr. Don Wellen  
Dr. Anthony R. Wells  
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Mr. Glenn White  
Len White, Ph.D.  
Captain Ron White  
Mr. Herman Whitley  
Lieutenant Colonel Joseph E. Whitlock  
Master Sergeant Ramona Whitted  
Lieutenant Colonel Todd Wilkinson  
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General Michael Williams  
Master Sergeant Ricky Williams  
Mr. Steve Williams  
Colonel Williams  
Ms. Virginia Williamson  
Major General Cornell Wilson  
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Chief Master Sergeant Jackson A. Winsett  
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Ms. Suzanne K. Wren  
Commander Ken Wright  
The Honorable Michael W. Wynne  
Mr. Roland J. Yardley  
Major General John A. Yingling  
Mr. Rich Yoder  
Mark Young, Ph.D.  
Mr. Francis Ziegler  
Commander Mark H. Zu Hone

## APPENDIX 11. ACRONYMS AND ABBREVIATIONS

ACASP	Army Civilian Acquired Skills Program
AD	active duty
ADL	active duty list
ADOS	active duty for operational support
AEF	air and space expeditionary force
AFQT	Armed Forces Qualification Test
AFR	Air Force Reserve
AFTP	additional flying training period
AGR	Active Guard and Reserve
AHIP	America's Health Insurance Plans
AJPME	Advanced Joint Professional Military Education
ANG	Air National Guard
AR	Active Reserve
ARFORGEN	Army Force Generation
ARFPC	Army Reserve Forces Policy Committee
ARNG	Army National Guard
ASA-MRA	Assistant Secretary of the Army, Manpower and Reserve Affairs
ASD-HD&ASA	Assistant Secretary of Defense for Homeland Defense and Americas' Security Affairs
ASD-RA	Assistant Secretary of Defense for Reserve Affairs
ASN-MRA	Assistant Secretary of the Navy, Manpower and Reserve Affairs
ATP	additional training period
BAH	basic allowance for housing
BCT	brigade combat team
BLS	Bureau of Labor Statistics
BTA	Business Transformation Agency
CBIRF	Chemical-Biological Incident Response Force
CBO	Congressional Budget Office
CBRNE	chemical, biological, radiological, nuclear, and high-yield explosives
CBRNE-CM	CBRNE consequence management
CCMRF	CBRNE Consequence Management Response Force
CDU	critical dual-use
CEI	Civilian Employment Information

## APPENDIX 11. ACRONYMS AND ABBREVIATIONS

CERFP	CBRNE enhanced response force package
CHAMPUS	Civilian Health and Medical Program of the Uniformed Services
CINC	commander in chief (commander of a unified command)
CIOMR	Interallied Confederation of Reserve Medical Officers
CIOR	Interallied Confederation of Reserve Officers
CJCS	Chairman of the Joint Chiefs of Staff
CMAC	CHAMPUS maximum allowable charge
CNGB	Chief of the National Guard Bureau
CNGR	Commission on the National Guard and Reserves
CNO	Chief of Naval Operations
CSIS	Center for Strategic and International Studies
CJCSI	Chairman of the Joint Chiefs of Staff Instruction
CSM	command sergeant major
CSRS	Civil Service Retirement System
DAB	Defense Advisory Board
DACMC	Defense Advisory Committee on Military Compensation
DART	Data Access and Retrieval Tool
DCE	defense coordinating element
DCO	defense coordinating officer
DFAS	Defense Finance and Accounting Service
DHCS	Defense Human Capital Strategy
DHS	Department of Homeland Security
DIMHRS	Defense Integrated Military Human Resources System
DMDC	Defense Manpower Data Center
DMOSQ	Duty Military Occupational Skill Qualification
DOD	Department of Defense
DOL	Department of Labor
DOPMA	Defense Officer Personnel Management Act
DPEP	Direct Procurement Enlistment Program
DRRS	Defense Readiness Reporting System
DSB	Defense Science Board
DSCA	defense support of civil authorities
EEIS	Employers Economic Impact Survey
E-JDA	Experience-based Joint Duty Assignment
EJPME	Enlisted JPME (Joint Professional Military Education)

## APPENDIX 11. ACRONYMS AND ABBREVIATIONS

EMAC	Emergency Management Assistance Compact
ESF	Emergency Support Function
ESGR	National Committee for Employer Support of the Guard and Reserve
FEHBP	Federal Employees Health Benefits Program
FEMA	Federal Emergency Management Agency
FERS	Federal Employees Retirement System
FORSCOM	U.S. Army Forces Command
FPA	Family Program Academy
FRD	Federal Research Division, the Library of Congress
FSA	flexible spending account
FTF	Future Total Force
FTS	full-time support
FY	fiscal year
G-3	Army or Marine Corps component operations staff officer
G-8	Responsible for integrating resources and Army programs and for modernizing Army equipment
GAO	Government Accountability Office
GWOT	global war on terror
HQMC-MRA	Headquarters Marine Corps, Manpower and Reserve Affairs
HR	human resource
HRO	Human Resources Officer
HSA	health savings account
HSDG	high school degree
HSPD	homeland security presidential directive
IDT	inactive duty training
IED	improvised explosive device
I&I	Inspector-Instructor
IMA	individual mobilization augmentee
IMR	individual medical readiness
ING	Inactive National Guard
IRR	Individual Ready Reserve
IRS	Internal Revenue Service
JCS	Joint Chiefs of Staff
JPME	Joint Professional Military Education
JROC	Joint Requirements Oversight Council

## APPENDIX 11. ACRONYMS AND ABBREVIATIONS

JTF-CS	Joint Task Force Civil Support
KSAs	knowledge, skills, and abilities
MCCS	Marine Corps Community Services
MFR	Memorandum for the Record
MGIB-AD	Montgomery GI Bill–Active Duty
MGIB-SR	Montgomery GI Bill–Selected Reserve
MilTech	military technician
MoD	Ministry of Defence
MOS	military occupational specialty/specialties
MPT	manpower personnel training
MREIDL	Military Reservist Economic Injury Disaster Loan Program
MTF	military treatment facility
NATO	North Atlantic Treaty Organization
NDAA	National Defense Authorization Act
NGB	National Guard Bureau
NGO	nongovernmental organization
NGREA	National Guard and Reserve Equipment Appropriation
NMFA	National Military Family Association
NORTHCOM	United States Northern Command
NRFC	National Reserve Forces Committee (NATO)
NRP	National Response Plan
NSPS	National Security Personnel System
OASD-RA	Office of the Assistant Secretary of Defense for Reserve Affairs
OEF	Operation Enduring Freedom
OIF	Operation Iraqi Freedom
OPM	Office of Personnel Management
OSD	Office of the Secretary of Defense
OUSD	Office of the Under Secretary of Defense
OUSD(P&R)	Office of the Under Secretary of Defense for Personnel and Readiness
PDHA	Post-Deployment Health Assessment
PDHRA	Post-Deployment Health Reassessment
PEO	Program Executive Office
PME	Professional Military Education
PPBS	Planning, Programming, and Budgeting System
PTSD	post-traumatic stress disorder



## APPENDIX 11. ACRONYMS AND ABBREVIATIONS

QDR	Quadrennial Defense Review
QFR	Questions for the Record
QRMC	Quadrennial Review of Military Compensation
R3U	Ready Response Reserve Units
RASL	reserve active status list
RC	reserve component
RCAS	Reserve Component Automation System
RCCs	reserve component categories
REAP	Reserve Educational Assistance Program
RFPB	Reserve Forces Policy Board
RMP	readiness management period
ROPMA	Reserve Officer Personnel Management Act
ROTC	Reserve Officers' Training Corps
RRRU	Rapid Response Reserve Unit
SA	Senate Amendment
SBA	Small Business Administration
SBDC	Small Business Development Centers
SCRA	Servicemembers Civil Relief Act
SecDef	Secretary of Defense
SELRES	Selected Reserve
SHRM	Society for Human Resource Management
SORTS	Status of Resources and Training System
SPP	State Partnership Program
SR	Sponsored Reserve
SRP	soldier readiness processing
SSN	Social Security number
TAMP	Transition Assistance Management Program
TAP	Transition Assistance Program
TBI	traumatic brain injury
TDA	Table of Distribution and Allowance
TMA	TRICARE Management Activity
TOE	Table of Organization and Equipment
TRADOC	Training and Doctrine Command
TSP	Thrift Savings Plan
TTHS	Trainee, Transient, Holdee, and Student

## *APPENDIX 11. ACRONYMS AND ABBREVIATIONS*

USA	United States Army
USAF	United States Air Force
USAR	United States Army Reserve
U.S.C.	United States Code
USCG	United States Coast Guard
USCGR	United States Coast Guard Reserve
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
USAWC	U.S. Army War College
USERRA	Uniformed Services Employment and Reemployment Rights Act
USMC	United States Marine Corps
USMCR	United States Marine Corps Reserve
USN	United States Navy
USNR	United States Navy Reserve
VA	Department of Veterans Affairs
VBOC	Veterans Business Outreach Center
VPR-U	variable participation reserve unit
WMDs	weapons of mass destruction
WMD-CST	weapons of mass destruction civil support team

